SAN FRANCISCO PUBLIC LIBRARY
3 1223 05864 0773

SAN FRANCISCO PUBLIC LIBRARY
3 1223 05864 1029

5/S

San Francisco Public Library

Government Information Center
San Francisco Public Library
100 Larkin Street, 5th Floor
San Francisco, CA 94102

REFERENCE BOOK

Not to be taken from the Library

Digitized by the Internet Archive
in 2015

https://archive.org/details/minutes2000sanf_10

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

SAN FRANCISCO ETHICS COMMISSION AGENDA

for

Monday, January 10, 2000, 5:30 p.m.

City Hall

One Dr. Carlton B. Goodlett Place, Room 400*

***Please note change in room number.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of December 1, 2, and 6, 1999

IV. Executive Director's report

1. FY 00-01 budget
2. Public policy program
3. Investigation and enforcement program
4. Report on volume of calls received via the Whistleblower hotline
5. Campaign finance disclosure program
6. Campaign finance audit program
7. Lobbyist program
8. Campaign consultant program
9. Statements of economic interests
10. Amendments to the Sunshine Ordinance
11. Search for Campaign Finance Assistant (Class 1426 Senior Clerk Typist)
12. 1999 COGEL conference

DOCUMENTS DEPT

JAN - 7 2000

SAN FRANCISCO
PUBLIC LIBRARY

V. Receipt of testimony, discussion and possible vote on legislative proposals for public financing of election campaigns

A. Presentation by expert witnesses and staff re: public financing of campaigns for elective office. Expert witnesses will include Robert Stern, Director, Center for Governmental Studies; Rebecca Avila, Executive Director, Los Angeles Ethics Commission; Tom Volgy, former Mayor of Tucson; and Professor Bruce Cain, UC Berkeley.

B. Discussion and possible action re: Legislative proposals for public financing of campaigns for elective office, and whether the Commission should propose legislation to the Board of Supervisors. Related documents will be available from the Ethics Commission office on Friday, January 7.

(Please turn over for page 2)

VI. Discussion and possible approval of proposed Records Management Policy. Copies of the proposed policy are available from the Commission office.

VII. Items for future agendas. Discussion only.

VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

IX. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Office telephone: (415) 554-6171; Fax: (415) 554-6177;
E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us.

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site http://www.ci.sf.ca.us/ethics/

P:\SHARED\AGENDA\2000\011000.doc

3 1223 05864 0773

3 1223 05864 1029

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

SAN FRANCISCO ETHICS COMMISSION AGENDA

DOCUMENTS DEPT.

JAN - 6 2000

SAN FRANCISCO
PUBLIC LIBRARY

for

Monday, January 10, 2000, 5:30 p.m.

City Hall

One Dr. Carlton B. Goodlett Place, Room ~~400~~ 416*

*Please note change in room number.

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of December 1, 2, and 6, 1999

IV. Executive Director's report

1. FY 00-01 budget
2. Public policy program
3. Investigation and enforcement program
4. Report on volume of calls received via the Whistleblower hotline
5. Campaign finance disclosure program
6. Campaign finance audit program
7. Lobbyist program
8. Campaign consultant program
9. Statements of economic interests
10. Amendments to the Sunshine Ordinance
11. Search for Campaign Finance Assistant (Class 1426 Senior Clerk Typist)
12. 1999 COGEL conference

V. Receipt of testimony, discussion and possible vote on legislative proposals for public financing of election campaigns

A. Presentation by expert witnesses and staff re: public financing of campaigns for elective office. Expert witnesses will include Robert Stern, Director, Center for Governmental Studies; Rebecca Avila, Executive Director, Los Angeles Ethics Commission; Tom Volgy, former Mayor of Tucson; and Professor Bruce Cain, UC Berkeley.

B. Discussion and possible action re: Legislative proposals for public financing of campaigns for elective office, and whether the Commission should propose legislation to the Board of Supervisors. Related documents will be available from the Ethics Commission office on Friday, January 7.

7 49380 SFPL: ECONO JRS
61 SFPL 05/09/03 176

(Please turn over for page 2)

VI. Discussion and possible approval of proposed Records Management Policy. Copies of the proposed policy are available from the Commission office.

VII. Items for future agendas. Discussion only.

VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

IX. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Office telephone: (415) 554-6171; Fax: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us.

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site http://www.ci.sf.ca.us/ethics/

P:\SHARED\AGENDA\2000\011000.doc

SF
590
.2
1/10/00

(Approved as amended 03/13/00)

Minutes of the
San Francisco Ethics Commission
Meeting at City Hall
One Dr. Carlton B. Goodlett Place, Room 416
January 10, 2000 at 5:30 p.m.

DOCUMENTS DEPT.
MAR 2 0 2000
SAN FRANCISCO
PUBLIC LIBRARY

(Amended text in italics.)

I. Call to order and roll call.

Commission Chair Isabella H. Grant called the meeting to order at 5:45 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Henri E. Norris, Vice-Chairperson; Carol M. Kingsley, Commissioner; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner.

STAFF PRESENT: Ginny Vida, Executive Director; Naomi Starkman, Deputy Executive Director; Joe Lynn, Campaign Finance Officer; Katherine Havener, Ethics Investigator/Legal Analyst.

OFFICE OF THE CITY ATTORNEY: Claire Sylvia, Deputy City Attorney; Julie Moll, Deputy City Attorney.

OTHERS PRESENT: Robert Stern, Director, Center for Governmental Studies; Rebecca Avila, Executive Director, Los Angeles Ethics Commission; Tom Volgy, former Mayor of Tucson; Jocelyn Larkin, California Common Cause; Joan Kingery, San Francisco Common Cause; Brad Benson, Office of Supervisor Tom Ammiano.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, January 10, 2000
S.F. Ethics Commission Ad Hoc Committee on Public Financing Notice of Special Meeting and Agenda, January 13, 2000
Approved minutes of the S.F. Ethics Commission Meeting of November 8, 1999
Draft minutes of the S.F. Ethics Commission Meeting of December 1, 1999
Draft minutes of the S.F. Ethics Commission Meeting of December 2, 1999
Draft minutes of the S.F. Ethics Commission Meeting of December 6, 1999
Executive Director's Report, January 10, 2000
Memo to Ethics Commission Members from Ginny Vida re: Results of the Ethics Commission Survey on Electronic Filing for Lobbyists and Campaign Consultants
Memo to Ethics Commission Members from Ginny Vida re: Fundamental Policy Considerations: Public Financing of Campaigns
Memo to Ethics Commission Members from Ginny Vida re: Amending the Campaign Finance Reform Ordinance to Provide for Public Financing of Election Campaigns
Memo to Ethics Commission Members from Ginny Vida re: Key Provisions of a Partial Public Financing Program
Memo to Ethics Commission Members from Ginny Vida re: Records Management Policy

Memo to Ethics Commission Members from Ginny Vida re: Televising of January 10 Meeting
Resolution by Supervisor Leland Yee: Urging Local Campaign Committees That Make Independent Expenditures to Fully and Timely Disclose the Amount and Source of Contributions Received, and the Amount and Payee of All Expenditures Made by the Committee.
Memo from Jacqueline Minor to Clerks and Secretaries of Boards, Commissions and Other Policy Bodies re: New Sunshine Ordinance Changes in the Public Meeting Provisions
Memo to Ethics Commission Members from Deputy City Attorney Claire Sylvia re: Proposition G: Amendments to the San Francisco Sunshine Ordinance
Los Angeles City Ethics Commission document re: Overview of Los Angeles Campaign Finance System, January 2000
Los Angeles City Ethics Commission document re: Los Angeles City Campaign Finance Law

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

III. Discussion and possible approval of the minutes of the meetings of December 1, 2, and 6, 1999

Motion 00-1-10-1 (Dockendorff/Melbostad) Moved, seconded and passed: That the minutes of the December 1, 1999 meeting be approved.

Motion 00-1-10-2 (Dockendorff/Norris) Moved, seconded and passed: That the minutes of the December 2, 1999 meeting be approved.

Motion 00-1-10-3 (Melbostad/Kingsley) Moved, seconded and passed: That the minutes of the December 6, 1999 meeting be approved as amended. (See Item VIII, Public Comment.)

IV. Executive Director's report

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet.

IV. Receipt of testimony, discussion and possible vote on legislative proposals for public financing of election campaigns

A. Presentation by expert witnesses and staff re: public financing of campaigns for elective office.

Robert Stern, Director, Center for Governmental Studies

Mr. Stern introduced himself as the Director of the Center for Governmental Studies, a non-profit research organization which has been studying campaign financing for 16 years. He stated that there are several cities across the country with public financing laws, many of which have been in effect for years. He indicated that the public financing systems in New York and Los Angeles work very well, especially on lower level races such as school board or city council. Mr. Stern stated that

the latest trend in public financing is full public financing, or "clean money." In a full public financing system, candidates qualify for public funds by receiving a small number of qualifying contributions. Once a candidate qualifies and agrees to certain conditions, e.g., spending limits, he or she then receives public money to finance his or her campaign. Full public financing allows qualified candidates the opportunity to get their messages across to voters without further need to fundraise.

Mr. Stern indicated that one of the main difficulties in developing a full public financing system is determining at what level to set the qualification threshold. The threshold needs to be set at a level so that serious candidates can qualify but fringe candidates do not bankrupt the system. Mr. Stern stated that if the qualification threshold is too low, there may be too many candidates and not enough funds in the budget to cover all candidates' campaigns.

Mr. Stern referred to the staff's memo on full public financing. He indicated that the spending limits suggested in the memo ($600,000 for candidates for Mayor and $75,000 for candidates for Supervisor) were too low, especially given the recent level of campaign spending in San Francisco. He indicated that the $20,000 limit for supervisorial run off campaigns would be too low because run-off campaigns are often the most competitive. He stated that the Commission should make the limits high enough to provide candidates sufficient incentive to accept them and to enable them to get their message to the voters. He suggested that in deciding what the limit should be, the Commission should determine how much television, radio and print advertising a candidate could buy with the limit. Mr. Stern recommended that the Commission not limit qualifying contributors to voters in a particular district. He indicated that it would be easier to limit qualifying contributions to all San Francisco voters. Mr. Stern also stated that the $50 minimum qualifying contribution might be too high, and that the Commission might want to encourage smaller contributions.

Mr. Stern then referred to staff's memo on partial public financing. He suggested that the Commission consider providing matching funds to candidates at a higher ratio than 1 to 1, such as 4 to 1. He reasoned that once a candidate agrees to public financing, the money should come easily. Mr. Stern agreed with staff that candidates who face no opposition should not receive public financing. Mr. Stern questioned why, under the staff's proposal, spending limits would be lifted when a non-participating candidate spends more than 100 percent of the spending limit. He suggested that the limits be lifted when the non-participating candidate spends 50 to 75 percent of the spending limits. Mr. Stern agreed with the staff's proposal that spending limits be lifted if committees make independent expenditures that, in the aggregate, equal at least 50 percent of the spending limit in support of one candidate in the district.

Mr. Stern recommended that either a partial or a full public financing program would be better than no public financing at all. He indicated that it is very difficult to write a perfect public financing law because all laws need to be revised as court decisions are issued and other circumstances change. He indicated that no public financing system has ever been repealed. He did note that a public financing law passed in Seattle was later preempted by state law.

Mr. Stern suggested that the Commission consider including in any proposal a limitation on loans by candidates to their campaigns. While the City cannot restrict candidate *contributions* to their own campaigns, courts have allowed governments to limit how much candidates can lend. Mr. Stern suggested limiting loans to $25,000 or $50,000. Mr. Stern also suggested that a provision be

added prohibiting city contractors or by those who are bidding on a City contract from making campaign contributions. Mr. Stern added that all candidates who accept public money should be audited, not just 25 percent of publicly funded candidates. He stated that a provision to audit all candidates would increase voter confidence.
Mr. Stern recommended that San Francisco's public financing program, if enacted, should not go into effect until Jan 1, 2001 at the earliest. He stated that waiting until next year would prevent candidates who have already planned their campaign strategies from having to change these strategies in accordance with a new law. Moreover, it would give the Commission time to adopt public financing regulations.

Mr. Stern stated that the Commission should seek to ensure a guaranteed budget to fund the public financing program. He disagreed with staff's proposal that the public financing provisions would not apply in the event there were insufficient funds to pay for the program. In this event, he suggested, each candidate could, instead, receive a percentage of available funds. Mr. Stern recommended that to ensure that the program is fully financed, the City should appropriate funds every year to the program so as to build up sufficient resources. Mr. Stern also suggested that campaign statements be preserved forever, not just for four years, since this information is important to researchers. Finally, Mr. Stern suggested that the Ethics Commission retain outside counsel to provide it legal advice in addition to the City Attorney.

Commissioner Kingsley asked Mr. Stern whether he could offer any alternatives for funding a public financing program other than from the general fund. Mr. Stern suggested the Arizona model as one alternative: Arizona adds a ten percent levy to civil and criminal judgments to pay for public financing. However, he expressed his view that the best way to fund a public financing program is in fact through the general fund. He stated that jurisdictions that have tried to fund public financing programs voluntarily, i.e., with check-off provisions, have failed, because less than one percent of citizens will voluntarily allocate money to pay for political campaigns.

Commissioner Dockendorff asked Mr. Stern how the Commission could best pursue the goals of reducing the cost of campaigns and shortening the period during which candidates campaign. Mr. Stern suggested putting a restriction on the period of time during which candidates may raise money, for example, no more than 1 year to18 months before the election. Mr. Stern indicated that limiting the time during which candidates may fundraise puts challengers on a more level playing field with incumbents. Mr. Stern also indicated that candidate use of the Internet is a good way to reduce the cost of campaigns.

Commissioners Melbostad and Dockendorff expressed their concern over the impact of independent expenditures on campaigns. They asked Mr. Stern how independent expenditures might be limited. Mr. Stern stated that the courts have thus far prevented municipalities from limiting independent expenditures. He stated that disclosure is the best way to reduce their impact on campaigns, since the public would then know who is financing the independent spending. Mr. Stern suggested that another way to reduce the impact of independent spending is to provide greater public financing to candidates who do not receive independent expenditures. Commissioner Norris asked Mr. Stern if there was any way to anticipate and prepare for last minute spending by independent expenditure committees. Mr. Stern indicated that there is no accurate way to do this. He stated that an effective remedy for independent spending could only be achieved through an amendment to the U.S. Constitution.

Rebecca Avila, Executive Director, Los Angeles Ethics Commission

Ms. Avila presented an overview of the structure and mission of the Los Angeles Ethics Commission ("LAEC"). She stated that the LAEC, supported by a staff of 22 and a $1.2 million budget, has jurisdiction over campaign, governmental ethics and lobbying laws.
Ms. Avila informed the Commission that the LAEC administers a partial public financing program. Under the program, candidates qualify for public funds by demonstrating that they are viable. City council candidates are deemed viable, for example, if they raise $25,000 in contributions of $500 or less. Once a candidate raises the threshold amount, he or she may receive matching funds in the amount of one public dollar for every private dollar earned. Candidates who choose to participate in the program must agree to limit the amount of personal funds that they contribute to their campaigns and must agree to participate in a debate with at least one viable opponent. A viable opponent is an opponent who also participates in the public financing program or who raises the threshold amount of contributions.

Ms. Avila explained that the Los Angeles Charter requires that the program be fully funded from the general fund. She stated that the City appropriates to the Commission $2 million every year up to the full budget of $8 million so as to fully finance the program.

Ms. Avila discussed additional features of the LAEC public financing program. She stated that their program has a fundraising window, wherein candidates for citywide offices may not campaign earlier than 2 years prior to the election. For city council candidates, the window is 18 months. Candidates must generally stop fundraising 90 days after an election. Moreover, in Los Angeles, all candidates and treasurers must attend training offered by Commission staff and must sign a statement that they have read and understand the public financing law. Ms. Avila noted that this training component prevents candidates from inadvertently violating the law and gives the Commission greater standing in enforcing the law. Ms. Avila also stated that that the Commission audits all candidates who receive public financing as well as non-participating candidates who raise more than $100,000. Each candidate is assigned an auditor, providing the candidate a clear link with LAEC staff.

Ms. Avila stated that Los Angeles' partial public financing program has been effective because it ensures more competitive elections by giving voters a real choice between candidates. Ms. Avila cited LAEC reports that evaluated the first three elections in Los Angeles under the public financing program. The reports concluded that the program controlled incumbent spending and allowed viable challengers who participated in the program to compete more effectively.

Ms. Avila stated that participation in the program is high and is increasing. Currently, the candidate participation rate is at 88 percent. When the program was first implemented, the Commission was concerned that it would not be able to attract incumbent participation. The LAEC has since determined that incumbents do participate. In the last election, for instance, only one incumbent did not accept public financing. She stated that candidates have found that public financing allows them to interact more with voters and to spend less time fundraising.

Ms. Avila stated that there is no clear evidence as to whether public financing has reduced the influence of special interests. She believes that it does, stating that in 1999, candidates relied 2 to 1 on individuals over non-individuals in financing their campaigns. She stated that the LAEC is beginning to discuss ways to combat the influence of independent expenditures. Ms. Avila stated that the LAEC is also considering increasing the amount of matching funds awarded to candidates

who face opponents who spend great amounts of their personal funds, and amending their matching fund formula to provide for $2 of public funds for every $1 raised by the candidate.

In response to an inquiry by Commissioner Melbostad, Ms. Avila stated that qualifying contributions in Los Angeles are not limited to a particular district. Qualifying contributions to Los Angeles candidates may even be received from non-Los Angeles residents. Ms. Avila expressed her concern that if qualifying contributions were limited to a particular district, candidates running in wealthy districts would have a much easier time raising qualifying contributions than candidates running in lower income districts.

Commissioner Dockendorff asked Ms. Avila whether the LAEC had any mechanism to control expenditures to independent expenditure committees. Ms. Avila responded that the LAEC required disclosure of independent expenditures. In addition, she stated, the Los Angeles Charter contains a provision which limits to $500 contributions to independent expenditure committees which are established to support or oppose a particular candidate. She indicated that many independent expenditure committees were not subject to this limit because they were not established to support or oppose a candidate. She also indicated that the independent expenditure limit has not been challenged in court.

Tom Volgy, former Mayor of Tucson

Mr. Volgy informed the Commission that he was the architect of Tucson's partial public financing program. He stated that Tucson was the first city to introduce such a program, which began in 1985 and has been in place through 7 council elections and 4 mayoral campaigns. He stated that the Tucson model has been copied by more than 185 municipalities.

Mr. Volgy stated that his goals in implementing a public financing program in Tucson were to achieve more competitive elections and to reduce the impact of special interest money on candidates and elected officials. In 1983, he decided to put a campaign finance reform initiative before the voters. Mr. Volgy chose not to ask the city council to create this legislation, since he felt legislation passed by initiative better reflects the will of the voters, and moreover, cannot be changed by elected officials absent a Charter amendment. Mr. Volgy reported that the initiative passed easily.

Mr. Volgy told the Commission that the system implemented in Tucson was intentionally made very simple so that voters could understand it and so that candidates were not discouraged from running for office. Under Tucson's program, a candidate takes out a petition, declaring that he or she will voluntarily submit to spending limits. Once this is done, the candidate may try to qualify for public financing. To qualify as a participating candidate for Mayor in Tucson, 300 voters must contribute $10 or more to the candidate. To qualify as a participating candidate for city council, 200 voters must contribute $10 or more. Once a candidate meets this threshold, he or she is able to receive matching funds in the amount of $1 of public money for every private dollar raised, up to the spending limit. The spending limits currently represent 29 cents per voter for city council races, and 58 cents for mayoral races. The Tucson program also provides for strict auditing provisions and a personal financing limit of 3 to 5 percent of the spending limit. Contribution limits are governed by the state.

Mr. Volgy stated that the program has resulted in a dramatic reduction in campaign spending. In 1999, which was the most heavily contested and expensive race since the reform system began, the amount spent by winning and losing candidates combined was 24 percent less than the amount

spent in 1983, before campaign financing was implemented. Public financing has also reduced the impact of special interests and has led to increased competitiveness in elections. Mr. Volgy stated that there are more candidates and more heavily contested races under the public financing system in Tucson than there were prior to reform, and the power of incumbency has been reduced. Public financing has also changed the way candidates conduct their campaigns. In 1983, prior to public financing, candidates spent their money almost solely on television and radio. Now, candidates have much more direct contact with voters. Mr. Volgy also stated that the public financing program has significantly changed Tucson's political culture. The public is highly supportive of campaign finance reform, and candidates are compelled to participate in the program and accept spending limits so as to comply with the public will.

Commissioner Norris asked Mr. Volgy if the Tucson program has guaranteed city funding. Mr. Volgy stated that the Charter provides that the program be fully funded. He stated that the funding the program was easy, since the cost of the program reflects less than 1/10 of 1% (.00062) of the city's budget. He stated that in drafting the public financing ordinance, he did consider the idea of private funding, but determined that private funding would not be sufficient to finance the program. He stated that Tucson does offer voters an opportunity to voluntarily support the program by checking off a box on their water bill.

Mr. Volgy informed Commissioner Dockendorff that the Tucson program contains no provision limiting independent expenditures. He stated that San Francisco has been a pioneer in record-level independent campaign spending, and that he believes that similar spending will occur in Tucson in upcoming elections. He stated that were he to draft Tucson's program again, he would insert the public financing provisions the Commission is currently considering. He believes that public financing programs limit the impact of independent campaigns because the public money given to participating candidates puts them on a level playing field with candidates who benefit from independent expenditures.

Mr. Volgy also stated that disclosure can control the power of independent expenditures. He stated that the Commission should require independent expenditure committees to report early and often as to what they plan to spend money on. He stated that committees would be able to report expenditures early because they must pay for advertising and other items well before an election. He indicated that independent expenditure committees should report daily in the last months before an election.

Commissioner Kingsley asked Mr. Volgy how Tucson voters became so supportive of public financing. Mr. Volgy stated that the public was already revolted with politics, so that it was not difficult. He also said that at his request, the Mayor of Seattle gave press conferences explaining to Tucson voters the success of Seattle's system.

Commissioner Grant asked Mr. Volgy whether Tucson had considered a full public financing program. Mr. Volgy indicated that the State of Arizona is implementing a full public financing program this year. He stated that there are strong merits to both full and partial public financing, and that either system is better than none at all.

The Commission then heard public comment on public financing.

Public Comment

Brad Benson of Supervisor Ammiano's office urged the Commission to forward a recommendation for a public financing program to the Board of Supervisors as soon as possible. He stated that public financing is the only way to address the increasing prevalence and power of independent expenditures. Mr. Benson suggested that the Commission require independent expenditure committees to disclose contributors. He stated that reporters would be better able to publicize the amount and impact of independent expenditures if Commission staff issued detailed reports about the level and kind of independent expenditures during the election season.

Jocelyn Larkin of California Common Cause complimented the Commission on the caliber of the invited experts on public financing. She indicated that public financing is the first step to clean elections. She stated that Common Cause was disappointed that the Commission did not put a public financing measure on the March 2000 ballot. She urged the Commission to forward a public financing proposal to the Board of Supervisors. She stated that Common Cause is prepared to collect signatures and put a public financing initiative on the November ballot if the Board of Supervisors fails to enact a program.

Joan Kingery of San Francisco Common Cause encouraged the Commission to propose passage of a public financing program.

B. Discussion and possible action re: legislative proposals for public financing of campaigns for elective office, and whether the Commission should propose legislation to the Board of Supervisors

Commissioner Grant said that the Commission will continue its consideration of public financing of campaigns at the Thursday, January 13 meeting of the Ad Hoc Committee on Public Financing. She stated that the Committee will decide on key provisions at that time. If these provisions are approved, the Commission will consider draft legislation at the February 7 meeting. A decision on whether to forward draft legislation to the Board of Supervisors will be made at the February 15 meeting.

VI. Discussion and possible approval of proposed Records Management Policy

Executive Director Ginny Vida informed the Commission that under the S.F. Administrative Code, all City departments must have a records management policy. She asked the Commission to approve the policy under which Commission staff has been operating.

Motion 00-1-10-4 (Melbostad/Norris) Moved, seconded and passed: That the proposed Records Management Policy be approved.

VII. Items for future agendas.

No items were discussed.

VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

Anita Mayo of Pillsbury, Madison and Sutro requested corrections in the December 6, 1999 minutes. She stated that the third full paragraph on Page 2 should read: "Anita Mayo of Pillsbury,

Madison & Sutro noted that general purpose county committees do not have to file pre-election reports."

She also requested that the fourth paragraph of Section IV on page 2 read as follows: "Ms. Mayo noted that these general purpose committees file pursuant to state law, which provides that San Francisco committees are county committees. She said that general purpose county committees do not file in odd-numbered years, the year in which the mayoral races occur. Ms. Mayo stated that such committees are not skirting the statute but are following their obligations under the law."

V. Adjournment

Motion 00-1-10-5 (Norris/Kingsley) Moved, seconded and passed: That the meeting be adjourned.

The Commission meeting adjourned at 8:30 p.m.

Respectfully Submitted,

Katherine Havener
Ethics Investigator/Legal Analyst

\\ETHICS-01SVR\DATA\SHARED\MINUTES\2000\01.10.00.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

DOCUMENTS DEPT.

JAN 27 2000

SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO ETHICS COMMISSION AGENDA

for

Tuesday, February 15, 2000, 5:00 p.m.

City Hall

One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of January 10 and January 13, 2000

IV. Executive Director's report

1. FY 00-01 budget
2. Public policy program
3. Investigation and enforcement program
4. Report on volume of calls received via the Whistleblower hotline
5. Campaign finance disclosure program
6. Campaign finance audit program
7. Lobbyist program
8. Campaign consultant program
9. Statements of economic interests
10. Amendments to the Sunshine Ordinance
11. Search for Campaign Finance Assistant (Class 1426 Senior Clerk Typist)

V. Discussion and possible approval of proposed FY 00-01 budget. Copies of the proposed budget will be available from the Ethics Commission office on Friday, February 4.

VI. Receipt of testimony, discussion and possible vote on legislative proposal for public financing of campaigns for elective office, and whether the Commission should propose legislation to the Board of Supervisors. Copies of the draft legislation will be available from the Ethics Commission office on Friday, February 4.

VI. Items for future agendas. Discussion only.

VII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

VIII. Adjournment

(Please turn over for page 2)

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Office telephone: (415) 554-6171; Fax: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us.

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site http://www.ci.sf.ca.us/ethics/

P:\SHARED\AGENDA\2000\021500.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

DOCUMENTS DEPT.

FEB 1 0 2000

SAN FRANCISCO
PUBLIC LIBRARY

REVISED

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING*

Tuesday, February 15, 2000, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

***Please note change in day and date of regular meeting.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of January 10 and January 13, 2000

IV. Executive Director's report

1. FY 00-01 budget
2. Public policy program
3. Investigation and enforcement program
4. Report on volume of calls received via the Whistleblower hotline
5. Campaign finance disclosure program
6. Campaign finance audit program
7. Lobbyist program
8. Campaign consultant program
9. Statements of economic interests
10. Amendments to the Sunshine Ordinance
11. Search for Campaign Finance Assistant (Class 1426 Senior Clerk Typist)

V. Discussion and possible approval of proposed FY 00-01 budget. Copies of the proposed budget will be available from the Ethics Commission office on Friday, February 4.

VI. Receipt of testimony, discussion and possible vote on legislative proposal for public financing of campaigns for elective office, and whether the Commission should propose legislation to the Board of Supervisors. Copies of the draft legislation will be available from the Ethics Commission office on Friday, February 4.

VII. Items for future agendas. Discussion only.

VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

IX. Adjournment

(Please turn over for page 2)

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Office telephone: (415) 554-6171; Fax: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us.

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site http://www.ci.sf.ca.us/ethics/

P:\SHARED\AGENDA\2000\021500.doc

SF
E90
#)2
3/15/00

(Approved as amended 3/13/00)

Minutes of the
San Francisco Ethics Commission
Meeting at City Hall
One Dr. Carlton B. Goodlett Place, Room 408
February 15, 2000; 5:00 p.m.

DOCUMENTS DEPT.

JUN 2 9 2000

SAN FRANCISCO
PUBLIC LIBRARY

I. Call to order and roll call

Commission Chairperson Isabella H. Grant called the meeting to order at 5:15 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner. Vice-Chairperson Henri E. Norris and Commissioner Carol M. Kingsley were excused.

STAFF PRESENT: Ginny Vida, Executive Director; Naomi Starkman, Deputy Executive Director; Shaista Shaikh, Campaign Finance Auditor.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney; Chad Jacobs, Law Clerk.

OTHERS PRESENT: Charles Marsteller, San Francisco Common Cause; Brad Benson, Legislative Aide to Supervisor Tom Ammiano; David Pilpel, Sunshine Ordinance Task Force; Joan Mandle and Margaret Ropchan, California Common Cause; and Anita Mayo, Pillsbury, Madison & Sutro.

MATERIALS DISTRIBUTED:

S.F. Ethics Commission Agenda, February 15, 2000
Approved minutes of the December 1, 1999 meeting of the Ethics Commission
Approved minutes of the December 2, 1999 Special Meeting of the Ethics Commission
Draft minutes of the January 10, 2000 meeting of the Ethics Commission
Draft minutes of the January 13, 2000 meeting of the Ad Hoc Committee on Public Financing
Draft minutes of the February 7, 2000 meeting of the Ad Hoc Committee on Public Financing
Executive Director's Report for the meeting of February 15, 2000
Memo dated February 16, 2000 to the Ethics Commission Members from Ginny Vida re: Report on Funding Alternatives to the General Fund for a Public Financing Program
Memo dated February 11, 2000 to the Ethics Commission Members from Ginny Vida re: Amending the San Francisco Administrative Code to Provide for Public Financing of Election Campaigns
Memo dated February 11, 2000 to the Ethics Commission Members from Ginny Vida re: Proposed Annual Budget for FY 00/01
Board of Supervisors Inquiry made at the Board meeting on January 31, 2000
Memo dated January 11, 2000 to Department Heads and Commission Secretaries re: Proposition G: Amendments to the San Francisco Sunshine Ordinance: Sunshine Ordinance Declaration
"Pay for City Hall Lobbyists Hit Record High Last Quarter," San Francisco Chronicle, February 4, 2000
Draft Legislation amending the Campaign Finance Reform Ordinance

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

There was no public comment.

III. Discussion and possible approval of the minutes of the meetings of January 10 and January 13, 2000

Minutes of the meeting of January 10, 2000:
Commissioner Robert D. Dockendorff requested that staff include the questions he asked Rebecca Avila, Executive Director, Los Angeles Ethics Commission, and Tom Volgy, former Mayor of Tucson, about independent expenditures. Commissioner Dockendorff also requested that the responses to these questions be included in the minutes.

Minutes of the meeting of January 13, 2000:
With respect to the staff report on the interview conducted with Ruth Jones, Member of the Arizona Clean Elections Commission, Commissioner Dockendorff noted that he had questioned the credibility of Ms. Jones' recommendations for a public financing program for San Francisco. Commissioner Dockendorff requested that the minutes reflect his statement that Ms. Jones has insufficient expertise to comment on San Francisco politics. Commissioner Melbostad also noted that the Commission did not have the opportunity to hear and question Ms. Jones at the January 13 meeting, since her views were conveyed by staff.

Motion 00-2-15-13 (Melbostad/Dockendorff) Moved, seconded and passed: That the minutes of the January 10 and January 13, 2000 meetings be amended and continued to the March 13 meeting for final approval.

Charles Marsteller of San Francisco Common Cause requested that the Commission supplement the approved minutes of the meeting of December 1, 1999 with language that he submitted to staff. The minutes, amended per Mr. Marsteller's request, will be presented for approval at the next meeting.

IV. Executive Director's Report

Executive Director Ginny Vida presented her written report to the Commission. She reported that she will testify at a February 16 hearing conducted by the Finance Committee of the Board of the Supervisors. The hearing will address independent spending in the 1999 mayoral election. Ms. Vida noted that at Board President Tom Ammiano's request, the staff has provided to the Committee information on candidate spending, independent spending and lobbyist contributions in the mayoral election. Ms. Vida stated that she would provide a copy of her testimony to the Commission.

V. Discussion and possible approval of proposed FY 00-01 budget

Ms. Vida referred the Commission to the February 11, 2000 memo regarding the proposed annual budget. Ms. Vida directed the Commission's attention to the following points :
1) enhancements will be funded by increases in revenues; 2) increases in staff salaries due to cost of living adjustments, step increases and fringe benefits are being absorbed by City departments within their baseline budget per a directive from the Mayor's Office; and 3) DTIS has requested an increase in work orders of $9,501. The total enhancements requested, $38,090, equal the amount of increase in projected revenues.

Ms. Vida noted that the Commission is well ahead of projections to date regarding revenues. She advised that in previous years, since revenue projections were overly conservative, the Commission did not receive credit for above-baseline revenues because they had not been budgeted. Next year's budget reflects improved revenue projections.

Commissioner Dockendorff asked whether, if a public financing proposal is adopted and implemented, there are provisions in the budget for additional staff. Ms. Vida noted that the public financing legislation provides that the Commission will advise the Board as to staff and non-personnel requirements and request an appropriation.

Motion 00-2-15-14 (Dockendorff/Melbostad) Moved, seconded and passed: That the proposed FY 00-01 budget be approved.

VI. Receipt of testimony, discussion, and possible vote on legislative proposal for public financing of campaigns for elective office, and whether the Commission should propose legislation to the Board of Supervisors.

Commission Chair Isabella H. Grant noted that in December and January, the Ad Hoc Committee on Public Financing considered draft legislation and thereafter agreed on key provisions for a public financing proposal. She referred commissioners to a revised version of the draft legislation calendared for today's agenda.

Deputy Executive Director Naomi Starkman directed the Commission to the February 11, 2000 memo. Ms. Starkman guided the Commission through each section, explaining the changes reflected by the revised legislation.

There was much discussion on whether the two-rule approach to providing funding in the run-off election should be revised. The Commission's concern with the two-rule approach was whether such an approach would be upheld in court.

Ms. Vida reported that Commissioner Carol M. Kingsley had conveyed to staff that the Commission should propose a formula for the run-off election that is consistent with that of the general election. Deputy City Attorney Julie Moll explained that the two-rule approach is novel and the more novel a system of campaign finance regulation, the greater the government's burden is in defending challenges to the regulations. After much discussion and after hearing public comment (see below) on this matter, the Commission agreed that the funding formula for the run-off election should be revised. Per the revision, each participating candidate who qualifies for the run-off may receive a payment of $5,000 the day following the general election. Thereafter, the candidate may receive four dollars for each dollar of contributions raised by the candidate, up to an additional $12,000 in public funds. (A candidate who qualifies for the run-off election would receive a $5,000 initial grant of public funds and upon raising $3,000 in private contributions, would qualify for an additional $12,000 in matching funds. $5,000, plus $3,000, plus $12,000 add up to the $20,000 spending limit for the run-off.)

With respect to reporting requirements, Commissioner Dockendorff urged that the Commission require all persons and committees providing funds to local campaigns to file campaign disclosure statements with the Commission. Ms. Vida reported that the Fair Political Practices Commission has advised that the Commission's authority to impose additional filing requirements is limited to committees active only in San Francisco. Commissioner Paul H. Melbostad stated that he does not believe the Commission is preempted by state law. He said, however, that this can be addressed as a separate issue. Commissioner Dockendorff inquired as

to whether the Commission may require all committees that finance local elections to file only with the Commission rather than the current system of some filing with the Commission and some with the Department of Elections. Ms. Vida suggested that the Commission might ask the City to recommend a change in state law.

With respect to penalties that may be imposed for violation of the public financing legislation, the Commission agreed that $500 is a disproportionately small amount in comparison to the large amounts of funds that candidates are capable of raising. After much discussion and public comment (see below), it was determined that the Commission will propose penalties up to $5,000 or three times the amount improperly spent, whichever is greater.

The following is public comment regarding the draft legislation:

David Pilpel, Sunshine Ordinance Task Force noted that Section 8(e), but not other sections of the legislation, requires that all payments received by candidates must be deposited in the candidate's campaign trust account. He suggested moving this provision closer to the beginning of the legislation to give it greater emphasis. Mr. Pilpel also noted that the legislation does not clarify whether surplus funds will be deposited back to the general fund, returned on a pro-rata basis, or used to defray expenses. Finally, Mr. Pilpel recommended that the Department of Elections and the Ethics Commission agree to provide each other with duplicate copies of statements filed by committees located in the City.

Mr. Marsteller stated his view that the two-rule formula for the run-off election does not present a question of constitutionality. He recommended full public financing for the run-off election. He compared this approach to the public financing system for the presidential race. Mr. Marsteller then expressed concern that the timetable projected for awarding funds to candidates in the general election is too short. He noted that contacting vendors and organizing fundraisers involves a significant amount of time and planning. Commissioner Melbostad explained that given the spending limits, a candidate cannot afford to spend a huge sum of money far in advance of the election. Most of the communication with the voters is done immediately prior to the election, he said. Finally, Mr. Marsteller recommended raising the maximum penalty to $5,000, considering that many instances of non-monetary violations may occur. *Common Cause also recommended that the Commission consider adding a private right to action.*

Joan Mandle of California Common Cause commended the Commission for its work on public financing. Ms. Mandle noted her concerns about the legislation: 1) the legislation addresses only supervisorial candidates; 2) the legislation does not provide additional funds to offset independent expenditures; 3) a $5,000 maximum penalty would be more appropriate; and 4) it would be wise to adopt a formula for awarding funds similar to that of the general election because the two-rule approach may not be upheld in court. Ms. Mandle recommended that for the run-off election candidates receive four dollars for every one dollar raised.

Anita Mayo of Pillsbury, Madison and Sutro stated that Sec 11(b) of the legislation does not make clear whether contributions under $100 would have to be reported. Ms. Mayo noted that it would create a tremendous burden on campaigns if this level of detail were required. Ms. Moll advised that the Commission may determine the specific requirements in regulations.

In response to an inquiry by Mr. Pilpel, it was noted that the general election and run-off election are separate elections.

Commissioner Melbostad requested that in its narrative memo to the Board of Supervisors, staff explain that the Commission had considered alternative fund disbursement for the run-off election.

Motion 00-2-15-15 (Melbostad/Dockendorff) Moved, seconded and passed: That the Commission adopt and forward to the Board of Supervisors the public financing legislation as amended, and that an accompanying memo include reference to an alternative funding option that was considered for the run-off.

VII. Items for future agendas. Discussion only.

Commissioner Melbostad stated that he would like to present language drafted by Craig Holman, Center for Government Research, regarding the issue of county committees filing pre-election statements with the Ethics Commission.

Ms. Vida noted that Supervisor Mark Leno had asked the Commission to discuss City-sponsored debates. She said this item is projected for the March agenda. She also reminded the Commission that it had previously agreed to review the Whistleblower Ordinance and conflict of interest laws. Commissioner Dockendorff requested that the Commission discuss other offices to be included in future public financing programs. Commission Chair Grant stated that the Commission should discuss its priorities at the next meeting.

VIII. Public Comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

Ms. Mayo asked whether a deadline for submitting the Sunshine Ordinance Declaration has been determined. Ms. Starkman responded that the declaration is due April 1, 2000 -- the date that the annual statements of economic interests are due.

Mr. Pilpel recommended that the Commission analyze the costs of administering the campaign consultant and lobbyist programs in relation to revenues generated. He recalled that before these programs were implemented, it was estimated that 40 percent of the costs would be recovered.

Common Cause recommended that the Commission revisit the issue of amending the Lobbyist Ordinance to clarify that unions are covered.

IX. Adjournment

The meeting was adjourned at 7:20 p.m.

Motion 00-2-7-12 (Melbostad/Dockendorff) Moved, seconded and passed: That the meeting be adjourned.

Respectfully submitted,

Shaista Shaikh
Campaign Finance Auditor

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

F
90
1
/13/00

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING

DOCUMENTS DEPT.

MAR - 7 2000

SAN FRANCISCO
PUBLIC LIBRARY

Monday, March 13, 2000, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of December 1, 1999, January 10, 2000, January 13, 2000 and February 15, 2000.

IV. Executive Director's report

1. FY 00-01 budget
2. Public policy program
3. Investigation and enforcement program
4. Report on volume of calls received via the Whistleblower hotline
5. Campaign finance disclosure program
6. Campaign finance audit program
7. Lobbyist program
8. Campaign consultant program
9. Statements of economic interests
10. Declarations received re: amended Sunshine Ordinance
11. Supervisor Kaufman's proposed reorganization of the SF Administrative Code, and proposed amendments to the City's Whistleblower Ordinance

V. Discussion and possible action re: Possible submission of a ballot initiative, in the November 2000 election, providing for public financing of election campaigns, in the event that the Ethics Commission's proposal to provide for public financing of election campaigns is not approved by the Board of Supervisors and the Mayor prior to May 15, 2000.

VI. Discussion and possible action re: Approval of proposed forms for statements required to be submitted by lobbyists on behalf of the City. These statements are required by the City's Sunshine Ordinance. The new requirement was adopted by the voters on November 2, 1999 and became effective on January 3, 2000. Copies of the proposed forms will be available from the Commission office on Friday, March 10.

VII. Discussion and possible action re: Priority policy issues for future agendas.

(Please turn over for page 2)

VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

IX. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Office telephone: (415) 554-6171; Fax: (415) 554-6177;
E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us.

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site http://www.ci.sf.ca.us/ethics/

P:\SHARED\AGENDA\2000\031300.doc

3F
E90
#2
/13/00

(Approved 4/17/00)

Minutes of the
San Francisco Ethics Commission
Meeting at City Hall
One Dr. Carlton B. Goodlett Place, Room 408
March 13, 2000; 5:00 p.m.

DOCUMENTS DEPT.

JUN 2 9 2000

SAN FRANCISCO
PUBLIC LIBRARY

I. Call to order and roll call.

Commissioner Paul H. Melbostad called the meeting to order at 5:15 p.m.

COMMISSION MEMBERS PRESENT: Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner; Carol M. Kingsley, Commissioner. Chairperson Isabella H. Grant and Vice-Chairperson Henri E. Norris were excused.

STAFF PRESENT: Ginny Vida, Executive Director; Naomi Starkman, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst.

OFFICE OF THE CITY ATTORNEY: Claire Sylvia, Deputy City Attorney.

OTHERS PRESENT: Charles Marsteller, San Francisco Common Cause; David Pilpel, Sunshine Ordinance Task Force.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, March 13, 2000
Minutes of the S.F. Ethics Commission Meeting of December 1, 1999
Minutes of the S.F. Ethics Commission Meeting of January 10, 2000
Minutes of the S.F. Ethics Commission Meeting of January 13, 2000
Draft minutes of the S.F. Ethics Commission Meeting of February 15, 2000
Executive Director's Report, March 13, 2000
Ethics Commission Proposed Budget for FY 00-01
Ethics Commission Performance Measures for FY 00-01
Memo to Alan Gibson, Office of the Budget Analyst, from Naomi Starkman re: Projected Costs of the Ethics Commission's Proposal for Public Financing of Election Campaigns
Log of Whistleblower Complaints registered with the Ethics Commission since 7/21/97
Testimony of Ginny Vida at Finance Committee hearing entitled, "Campaign Fundraising and Expenditure Activities in the 1999 Mayoral Race and Related Matters"
Memo to Ethics Commission Members from Ginny Vida re: proposed Campaign and Governmental Conduct Code
Memo to Ethics Commission Members from Ginny Vida re: proposed forms for Lobbyists on Behalf of the City
S.F. Examiner article, "Convincing loss for campaign finance reform"

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

David Pilpel of the Sunshine Ordinance Task Force stated that it would be helpful if the Commission could compile a list of late Statement of Economic Interest filers.

III. Discussion and possible approval of the minutes of the meetings of December 1, 1999, January 10, 2000, January 13, 2000 and February 15, 2000.

Motion 00-3-13-17 (Kingsley/Dockendorff) Moved, seconded and passed: That the minutes of the December 1, 1999 meeting be approved.

Motion 00-3-13-18 (Dockendorff/Kingsley) Moved, seconded and passed: That the minutes of the January 10, 2000 meeting be approved.

Motion 00-3-13-19 (Kingsley/Dockendorff) Moved, seconded and passed: That the minutes of the January 13, 2000 meeting be approved.

February 15, 2000 minutes

Charles Marsteller of Common Cause requested that page four of the minutes be amended to include Common Cause's recommendation that the Commission consider adding a private right of action to the public financing legislation. In addition, he requested that page five of the minutes be amended to include Common Cause's recommendation that the Commission revisit the issue of amending the Lobbyist Ordinance to clarify that unions are covered.

Motion 00-3-13-20 (Kingsley/Dockendorff) Moved, seconded and passed: That the minutes of the February 15, 2000 meeting be approved as amended.

IV. Executive Director's Report.

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She informed the Commission that staff is attempting to find contiguous office space, as the Commission's leases expire in November.

Commissioner Carol M. Kingsley noted that staff should find an office with sufficient space to accommodate three additional staff members to administer the public financing program, should the public financing legislation be enacted. Commissioner Robert Dockendorff asked staff to inquire whether additional contiguous space would be available at potential locations to accommodate future staff expansion.

Mr. Pilpel made a number of recommendations with regards to items on the Executive Director's Report: He commented on the Commission's budget, inquired as to when new committees to be audited would be selected, urged the Commission to analyze lobbyist and campaign consultant revenues and determine whether the fee structures for those programs should be adjusted, and urged the City to ensure that the conflict of interest code was regularly updated to include all officials who should file statements of economic interest.

V. Discussion and possible action re: Possible submission of a ballot initiative, in the November 2000 election, providing for public financing of election campaigns, in the event that the Ethics Commission's proposal to provide for public financing of election campaigns is not approved by the Board of Supervisors and the Mayor prior to May 15, 2000.

Ms. Vida indicated that the Commission's public financing proposal has been referred to the Board of Supervisors' Finance Committee, and that the earliest date that the Committee will hear the matter is March 22. She noted that staff will be asked to appear before the Committee to discuss the proposal. Ms. Vida stated that a vote is not needed on Item V this evening, but that

she would like the Commission to consider what action it would like to take should the Board fail to pass the legislation.

Commissioners Dockendorff and Melbostad indicated that the Commission should submit a public financing ballot initiative to the voters should the Board of Supervisors fail to enact the legislation. Commissioner Kingsley concurred with Commissioners Dockendorff and Melbostad, but added that the Commission should further research and discuss alternative funding sources for the program should it send an initiative to the voters for approval.

Ms. Vida relayed Chairperson Grant's concern about the failure of State Proposition 25 at both the State and City levels. Commissioner Melbostad stated that the proponents of Proposition 25 did not believe that its defeat was a public rejection of campaign finance reform, but instead, a dislike of the initiative's proponents and some of its provisions. Commissioner Dockendorff added that the initiative's defeat was also due to the great amount of money spent by its opponents.

VI. Discussion and possible action re: Approval of proposed forms for statements required to be submitted by lobbyists on behalf of the City.

Ethics Investigator/Legal Analyst Katherine Havener explained that the Sunshine Ordinance, as revised by Proposition G, now requires lobbyists who lobby on behalf of the City to file quarterly reports with the Ethics Commission. She indicated that staff worked with the City Attorney's office to develop forms that will be provided to lobbyists who will be regulated by the new provision. She referred the Commission to the proposed forms, "Quarterly Report of Lobbyist on Behalf of the City" and "Reporting Requirements for Lobbyists on Behalf of the City." She indicated that staff has identified approximately seven lobbyists who will be regulated by the new provision.

Commissioner Melbostad asked for public comment on the proposed forms.

Mr. Pilpel stated that the forms accurately reflect the intent of the drafters of Proposition G, which was to inform the public as to where and how public money is being spent. He stated that the Mayor's Office, the Public Utilities Commission, the Municipal Transit Authority and the Airport Commission each employ lobbyists who should be regulated by this provision. He recommended that staff obtain the names of lobbyists hired by these offices. He stated that there may be other departments which employ lobbyists.

In addition, Mr. Pilpel recommended that the verification section of the quarterly report be moved from the last to the first page.

Motion 00-3-13-21 (Kingsley/ Dockendorff) Moved, seconded and passed: That the forms for lobbyists on behalf of the City be approved as drafted.

VII. Discussion and possible action re: Priority policy issues for future agendas.

The Commission discussed putting the following items on the April agenda: possible placement of a public financing proposal on the November 2000 ballot; auditing of independent expenditure committees; and Supervisor Leno's request that the Commission propose a forum for City-sponsored debates.

Commissioner Dockendorff requested that the City Attorney provide the Commission with regular updates on pending campaign finance litigation.

Mr. Marsteller of Common Cause indicated that he would like to see the following items on future agendas: discussion of possible action regarding FPPC opinions on filing requirements for City and County Commitees; possible auditing of all independent expenditure committees; and review of revenue offset items in the Commission's FY 00-01 budget.

VIII. Public Comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

IX. Adjournment.

The meeting was adjourned at 6:40 p.m.

Motion 00-3-13-22 (Kingsley/Dockendorff) Moved, seconded and passed: That the meeting be adjourned.

Respectfully submitted,

Katherine Havener
Ethics Investigator/Legal Analyst

\\ETHICS-01SVR\DATA\SHARED\MINUTES\2000\03.13.00.doc

SF
E90
#1
4/17/00

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING

Monday, April 17, 2000, 5:00 p.m. *

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

DOCUMENTS DEPT
APR - 4 2000
SAN FRANCISCO
PUBLIC LIBRARY

***PLEASE NOTE CHANGE IN DATE.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of March 13, 2000.

IV. Executive Director's report

1. FY 00-01 budget
2. Public policy program
3. Investigation and enforcement program
4. Report on volume of calls received via the Whistleblower Hotline
5. Campaign finance disclosure program
6. Campaign finance audit program
7. Lobbyist program
8. Campaign consultant program
9. Statements of economic interests
10. Declarations received re: amended Sunshine Ordinance
11. Staffing

V. Discussion and possible action re: Proposal to provide an on-line forum for all candidates for local elective office and other possible means to enhance public access to information about candidates. This proposal was prompted by Supvervisor Leno's request that the Ethics Commission propose a program to provide for City-sponsored debates, City web site displays of candidate statements, or other means to enhance public access to information about candidates. A copy of the staff proposal will be available from the Commission office on Friday, April 7.

VI. Discussion and possible action re: Proposed ordinance authorizing the Ethics Commission to require that all quarterly and other disclosure statements filed by lobbyists and campaign consultants, in accordance with the Lobbyist Ordinance and Campaign Consultant Ordinance, be filed electronically as well as submitted on paper forms. Copies of the draft legislation will be available from the Commission office on Friday, April 7.

VII. Discussion re: Whether the Ethics Commission should expand the pool of political committees subject to audit to include committees that file with the Commission and make

(Please turn over for page 2)

VIII. independent expenditures. A staff report will be available from the Commission office on Friday, April 7.

IX. Discussion and possible action re: Possible submission of a ballot initiative, in the November 2000 election, providing for public financing of election campaigns, in the event that the Ethics Commission's proposal to provide for public financing of election campaigns is not approved by the Board of Supervisors and the Mayor prior to May 15, 2000. (The deadline for submission of a ballot measure is August 9, 2000.)

X. Discussion and possible action re: Proposal to amend the Commission's bylaws to reflect recent changes incorporated in the Sunshine Ordinance, and to include other substantive and/or technical changes.

XI. Discussion and possible action re: Items for future agendas.

XII. Possible closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Pending Litigation
Number of possible cases: 2

XIII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.14 on whether to disclose action taken or discussions held in closed session.

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: pending litigation.

XIV. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XV. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Office telephone: (415) 554-6171; Fax: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us.

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

SF
E90
#2
4/17/00

Approved 5/15/00

DOCUMENTS DEPT.

JUN 2 3 2000

SAN FRANCISCO
PUBLIC LIBRARY

Minutes of the
San Francisco Ethics Commission
Meeting at City Hall
One Dr. Carlton B. Goodlett Place, Room 408
April 17, 2000; 5:00 p.m.

I. Call to order and roll call.

Chairperson Isabella H. Grant called the meeting to order at 5:10 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Henri E. Norris, Vice-Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner; Carol M. Kingsley, Commissioner.

STAFF PRESENT: Ginny Vida, Executive Director; Naomi Starkman, Deputy Executive Director; Shaista Shaikh, Campaign Finance Auditor; Joe Lynn, Campaign Finance Officer; Katherine Havener, Ethics Investigator/Legal Analyst.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney; Chad Jacobs, City Attorney Law Clerk.

OTHERS PRESENT: Holly Thier, Co-President of the League of Women Voters; Ellen Elliott, League of Women Voters; Trudell Ian, Director of the League of Women Voters' SmartVoter Project; Lisa Franklin, Past President of the League of Women Voters; Anita Mayo, Esq., Pillsbury, Madison & Sutro; Charles Marsteller, San Francisco Common Cause; David Pilpel, Sunshine Ordinance Task Force; Gilbert Criswell, candidate for Supervisor; and J.R. Manuel, candidate for Supervisor.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, April 17, 2000
Minutes of the S.F. Ethics Commission Meeting of February 15, 1999
Draft Minutes of the S.F. Ethics Commission Meeting of March 13, 2000
Executive Director's Report, April 17, 2000
Remarks by Ginny Vida before the Finance Committee, April 12, 2000
Remarks by Ginny Vida before the Finance Committee, April 5, 2000
Memo from Ginny Vida to Members, Ethics Commission, April 14, 2000, re: Proposal for City-sponsored debates
Memo from Ginny Vida to Members, Ethics Commission, April 14, 2000, re: draft legislation authorizing the Commission to require electronic filing by lobbyists/campaign consultants
Memo from Ginny Vida to Members, Ethics Commission, April 14, 2000, re: auditing committees that make independent expenditures
Memo from Ginny Vida to Members, Ethics Commission, April 14, 2000, re: three public financing proposals
Memo from Ginny Vida to Members, Ethics Commission, April 14, 2000, re: draft revision of Ethics Commission Bylaws
Letter dated April 13, 2000, from League of Women Voters of San Francisco to Members of the Ethics Commission

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

III. Discussion and possible approval of the minutes of the meeting of March 13, 2000.

Motion 00-4-17-23 (Kingsley/Melbostad) Moved, seconded and passed: That the minutes of the March 13, 2000 meeting be approved.

IV. Executive Director's Report.

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She informed the Commission that she has agreed to serve as a witness for the FPPC in the lawsuit testing the constitutionality of Proposition 208.

Commissioner Grant said that she approved of the consolidation of San Francisco ethics-related laws into the proposed Campaign and Governmental Conduct Code. Deputy City Attorney Julie Moll noted that the legislation had been drafted and approved by the Board on the first reading.

Charles Marsteller of Common Cause complimented Ms. Vida on her defense of public financing at two recent Finance Committee hearings on that issue. Gilbert Criswell also commended Ms. Vida on her presentations.

V. **Discussion and possible action re: Proposal to provide an on-line forum for all candidates for local elective office and other possible means to enhance public access to information about candidates. This proposal was prompted by Supervisor Leno's request that the Ethics Commission propose a program to provide for City-sponsored debates, City web site displays of candidate statements, or other means to enhance public access to information about candidates.**

Katherine Havener, Ethics Investigator/Legal Analyst, discussed the history of Supervisor Leno's request to the Ethics Commission to forward to the Board a proposal providing for City-sponsored debates. She explained that because an unprecedented number of candidates are anticipated in the November 2000 election, the staff felt it would be impractical for the Commission to attempt to organize debates for such an extensive field.

Ms. Havener presented the staff's suggested alternatives to City-sponsored debates, such as providing candidates with space on the Ethics Commission's website for expanded candidate statements. In addition, the website could publish a list of resources on how to conduct debates.

Holly Thier, Co-President of the League of Women Voters, urged the Commission not to propose a web site program for candidates. She stated that the public would not consider information on the Commission's website to be neutral because of the Commission's reliance on elected officials for approval of its budget. She said the League's web site, www.smartvoter.org, already provides the public with candidate statements. She suggested that a link to the League's web site would be more appropriate.

Commissioner Robert D. Dockendorff took exception to any implication that the Commission would be swayed in the performance of its duties by political considerations. Ms. Their said she did not mean to suggest that the Commission would be influenced but that there might be a public perception of such influence.

Commissioner Dockendorff inquired into the League's decision to exclude candidates from the mayoral debates. Ms. Thier said that in most debates sponsored by the League, each candidate was given time to speak, but that due to the large number of mayoral candidates, the League had limited participation in one mayoral debate to the top three candidates. However, she noted that this was the exception to the rule and the only instance of excluding candidates from debates. She said that the League is planning debates for the upcoming district elections that will include all candidates.

Ellen Elliott, of the League of Women Voters, said that the public would not trust a program produced by City Hall to be unbiased. She said that the League debates and SmartVoter web site provides the public with sufficient information.

Trudell Ian, Director of the League's SmartVoter Project, said that no candidate is excluded from participation in that project. She invited the Commissioners to visit the site. She said that the League had spend $400,000 on the site, half of that for development. The site provides links to interviews with candidates, election results, and ballot information.

Ms. Vida reported that she had accessed the SmartVoter site shortly before the November 1999 election and had noticed that statements were missing for some candidates. Ms. Ian said that some candidate information was missing because the candidates failed to provide it. Ms. Vida said she had also discovered, and confirmed, that one candidate "statement" was fraudulent. She asked about the League's security procedures. Ms. Ian said a web site official of the League is responsible for reviewing information before posting the data and that the web site is closely monitored. She said the fraudulent data had been posted for only a few hours and had been removed immediately upon notification by Ms. Vida.

J.R. Manuel said he was one of the mayoral candidates excluded from the debate by the League of Women Voters for what he characterized as arbitrary and capricious reasons. He urged the Commission to provide a forum in each district that will give the candidates necessary exposure to the public. He also reported that he had experienced difficulties in following procedures for submitting candidate information to SmartVoter.

Mr. Criswell urged the Commission to adopt the staff recommendation because it would provide voters with additional information.

Lisa Franklin, Past President of the League of Women Voters, described SmartVoter as one-stop shopping for the public.

In response to a question posed by Commissioner Henri Norris, Ms. Ian said that debates must be limited to an hour. Ms. Ian said that this required exclusion of some of the many mayoral candidates, and those invited were the candidates cited by the newspapers as the top 3 in terms of public support. She noted, however, that a local cable access channel was used to provide interviews with all of the candidates. She said that the software for SmartVoter is proprietary.

Commission Chair Grant asked whether staff could work with the League on its web site project. Ms. Vida expressed concern over possibly compromising the Commission's independence by working in partnership with a member of the political community that could be regulated by the Commission. Mr. Marsteller agreed and suggested referring the question to the Department of Telecommunications and Information Services for their action. Mr. Manuel said that before adopting SmartVoter as an answer to Supervisor Leno's concerns, a Request for Proposal should be issued.

Commissioner Melbostad noted that the issues being discussed provide concrete examples on the need for public financing sufficient to permit the voices of serious candidates to be heard.

Motion 00-4-17-24 (Melbostad/ Kingsley) Moved, seconded and passed: That the Commission forward Supervisor Leno its recommendation that hosting public debates is not feasible and revisit the issues concerning the web site at its May meeting.

VI. **Discussion and possible action re: Proposed ordinance authorizing the Ethics Commission to require that all quarterly and other disclosure statements filed by lobbyists and campaign consultants, in accordance with the Lobbyist Ordinance and Campaign Consultant Ordinance, be filed electronically as well as submitted on paper forms.**

Deputy Executive Director Naomi Starkman stated that the proposed legislation would authorize the Commission to require all campaign consultants and lobbyists to file electronic copies of their reports. The legislation would also provide a late filing fine of $10 per day after the filing deadline until the electronic copy is received by the Commission. Ms. Starkman said the staff proposal provides for a $10 per day fine, rather than the higher fines currently imposed for the late filing of original reports ($25 per day for lobbyists, $50 per day or $100 per day for campaign consultants). She noted that the staff proposal is consistent with the $10 per day fine imposed for the late filing of electronic copies of campaign finance disclosure statements. She also indicated that she has been meeting with DTIS staff concerning the development of this program.

Motion 00-4-17-25 (Dockendorff/ Kingsley) Moved, seconded and passed: That the Commission propose the ordinance authorizing the Ethics Commission to require that all quarterly and other disclosure statements filed by lobbyists and campaign consultants, in accordance with the Lobbyist Ordinance and Campaign Consultant Ordinance, be filed electronically as well as submitted on paper forms.

VII. **Discussion re: Whether the Ethics Commission should expand the pool of political committees subject to audit to include committees that file with the Commission and make independent expenditures.**

Campaign Finance Auditor Shaista Shaikh reviewed her memorandum on the issue of auditing recipient committees that make independent expenditures. She said that recipient committees that make independent expenditures are already included in the audit pool but could be segregated to form a separate pool to ensure that a certain number are audited. She said that the FPPC auditors treat these committees the same as other committees but do not test for coordination. That is not considered within the scope of an audit. Ms. Shaikh indicated that Los Angeles has never audited non-candidate controlled committees. Ms. Shaikh said the staff does not recommend expanding the scope of the Commission's audits to determine whether expenditures made by independent-spending recipient committees are in fact independent.

Ms. Vida said that the audit process should be not be used for investigative purposes that are beyond the scope of an audit. She said, however, that if evidence of coordination is uncovered in the course of an audit, the Commission could initiate a complaint that could be handled as part of the normal complaint process. She suggested that a fixed number of recipient committees that make independent expenditures could be selected for audit from a separate audit pool.

Commissioner Melbostad said that the audit should test the assertion of independence by these

committees. He said that announcing such a procedure would put these committees on notice of their responsibilities. He agreed with Commissioner Dockendorff that the test of coordination should focus on coordination between the committee and the candidate.

Commissioner Grant stated that she does not favor testing the "independence" of the committees in the audit process but does favor expanding the audit pool to include some of those committees.

Commissioner Dockendorff agreed that a certain percentage of audits should be devoted to these committees.

Mr. Marsteller urged the Commission to upgrade its audit capacity and its ability to audit the unusually large number of candidates in November. He suggested that the Commission form a subcommittee to study the standards of evidence to be used for determining whether an expenditure was in fact "independent" and what the appropriate response of the Commission would be. He stated that the Commission should ask the Fair Political Practices Commission for assistance.

David Pilpel said there are two issues: which committees should be audited and what standards of evidence should be applied. He suggested researching the types of committees and determining how many committees of each type there are. He also asked for an analysis of major expenses, contributors, etc.

Commissioner Melbostad asked that the staff clarify what is done in an audit and what is not done. He said that evidence may be uncovered appropriately in an audit bearing on the "independence" issue, such as evidence that contributors were referred by candidate committees to the committees making independent expenditures.

VIII. Discussion and possible action re: Possible submission of a ballot initiative, in the November 2000 election, providing for public financing of election campaigns, in the event that the Ethics Commission's proposal to provide for public financing of election campaigns is not approved by the Board of Supervisors and the Mayor prior to May 15, 2000. (The deadline for submission of a ballot measure is August 9, 2000.)

Ms. Vida identified the three different public financing proposals before the Finance Committee, including the most recent proposal to provide public matching funds when independent expenditures are made in a particular election. Commissioner Grant complimented Ms. Starkman for her "side-by-side" chart comparing the three different proposals. Ms. Vida advised that the legislation will probably be referred to the full Board for action sometime this month.

IX. Discussion and possible action re: Proposal to amend the Commission's bylaws to reflect recent changes incorporated in the Sunshine Ordinance, and to include other substantive and/or technical changes.

Ms. Vida proposed that the bylaws have be amended to: 1) reflect recent changes to the Sunshine Ordinance; 2) indicate the Commission's fax number, web page address and e-mail address; 3) include a new policy to discourage City officials from appointing persons to the Commission who have held significant authority positions in political campaigns within the previous two years; 4) prohibit members of the Commission and its Executive Director from employing or being employed by a campaign consultant, or a person who is required to file a Statement of Economic

Interests with the Ethics Commission, or who is employed by or holds office in an organization that makes political endorsements; 5) clarify that members of the Commission may receive City benefits; 6) include a new policy to limit the Commission from appointing an Executive Director who has held a significant authority position in a political campaign within the previous two years; and 7) provide that the Personnel Committee meet annually, rather than semiannually. In addition, the proposed revisions would correct typographic and grammatical errors. Some of the proposed changes are technical but others would incorporate conflict of interest provisions affecting staff and Commission members.

In response to a question from Commissioner Melbostad, Mr. Jacobs clarified that the new conflict of interest provisions would apply to attorney-Commissioners and their clients. Commissioner Grant stated that a Commissioner should not vote on a matter involving a client but that the Commissioner should not be restricted in representing the listed types of clients.

Ms. Moll said that the Charter already restricts Ethics Commissioners from being employed by lobbyists and other persons who are regulated by the Commission. Since the Charter sections governing the Commission were adopted, the Campaign Consultant Ordinance was adopted, bringing campaign consultants under the Commission's regulation. Also, since that time, the rules about who must file their SEI with the Commission (as opposed to their own department) have been clarified. She noted that the proposed restrictions on employment by campaign consultants and SEI filers are consistent with the Charter provisions restricting employment by lobbyists.

Commissioner Melbostad questioned restricting membership in the Commission to those with no campaign experience in the prior two years. He said such experience could be important to the Commission's deliberations.

Ms. Starkman explained that the Commission has begun to work on the conflict of interest codes for each City department. She noted that in revising the bylaws to comply with the new provisions of the Sunshine Ordinance, staff sought to incorporate new conflict of interest rules pertaining to the Commission. She said that the two-year period was based on the City's revolving door policy prohibiting City employees' from lobbying their former departments for two years.

Mr. Pilpel said that the Commission may not have the authority to limit its membership beyond the Charter's limitations.

Mr. Pilpel requested that agenda packets be prepared for pick up by the public on the Thursday before Monday meetings to allow more time for review of the documents.

The Commission then agreed to adopt items 1, 2 and 5 of the staff recommendations (see above).

Motion 00-4-17-26 (Dockendorff/ Kingsley) Moved, seconded and passed: That the Commission amend its bylaws as proposed in items 1, 2 and 5 of the staff recommendation.

X. **Discussion and possible action re: Items for future agendas.**

Ms. Mayo asked that the Commission consider the questions involving unions as lobbyists.

Ms. Moll said that unions are subject to the Lobbyist Ordinance. Ms. Mayo said that the unions may be under the impression that the Commission is further considering these issues.

Commissioners Grant and Dockendorff agreed.

XI. Possible closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Motion 00-4-17-27 (Melbostad/Norris) moved, seconded and passed:: That the Ethics Commission convene in closed session with the City Attorney for the purpose of conferring or receiving advice from the City Attorney regarding pending litigation:

The Commission adjourned to a closed session.

XII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.14 on whether to disclose action taken or discussions held in closed session.

At the conclusion of the closed session, the following motion was approved:

Motion 00-4-17-28: The Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: pending litigation.

XIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

There was no public comment.

XIV. Adjournment

The meeting was adjourned at 8 p.m.

Respectfully submitted,

Joe Lynn
Campaign Finance Officer

P:\SHARED\MINUTES\2000\04.17.00.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING

Monday, May 15, 2000, 5:00 p.m. *

San Francisco Civic Center Courthouse, 400 McAllister Street, Room 504*

***PLEASE NOTE CHANGE IN DATE and LOCATION.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of April 17, 2000.

IV. Executive Director's report

1. FY 00-01 budget
2. Relocation of Commission office
3. Public policy program
4. Advice and opinions
5. Investigation and enforcement program
6. Report on volume of calls received via the Whistleblower Hotline
7. Campaign finance disclosure program
8. Campaign finance audit program
9. Lobbyist program
10. Campaign consultant program
11. Statements of economic interests
12. Declarations received re: amended Sunshine Ordinance

DOCUMENTS DEPT

MAY - 1 2000

SAN FRANCISCO
PUBLIC LIBRARY

V. Discussion and possible action re: Proposal to submit a ballot initiative, in the November 2000 election, amending the San Francisco Administrative Code to provide for public financing of election campaigns. (The deadline for submission of a ballot measure is August 9, 2000.) Draft legislation will be available from the Commission office on Thursday, May 11.

VI. Discussion and possible action re: Items for future agendas.

VII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

VIII. Adjournment

(Please turn over for page 2)

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\051500.doc

SF
E90
#2
5/15/00
c 2

(Approved 6/12/00)
DOCUMENTS DEPT
SEP 2 9 2000
SAN FRANCISCO
PUBLIC LIBRARY

Minutes of the
San Francisco Ethics Commission
Meeting at San Francisco Civic Center Courthouse
400 McAllister Street, Room 504
May 15, 2000; 5:00 p.m.

I. Call to order and roll call.

Chairperson Isabella H. Grant called the meeting to order at 5:10 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Henri E. Norris, Vice-Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner; Carol M. Kingsley, Commissioner.

STAFF PRESENT: Ginny Vida, Executive Director; Naomi Starkman, Deputy Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Frank Lester, Staff Assistant.

OFFICE OF THE CITY ATTORNEY: Claire Sylvia, Deputy City Attorney; Chad Jacobs, City Attorney Law Clerk.

OTHERS PRESENT: Robert Stern, Director of the Center for Government Studies; Jim Knox, California Common Cause; Steven Hill, Center for Voting and Democracy; Jim Reid; Joan Mandel, Common Cause; Charles Marsteller, Common Cause; Arroya Simpson, Grey Panthers of San Francisco and the Alliance for Democracy; Mike Mooney of San Francisco Common Cause and Alliance for Democracy.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, May 15, 2000
Draft Minutes of the S.F. Ethics Commission Meeting of April 17, 2000
Minutes of the S.F. Ethics Commission Meeting of March 13, 2000
Executive Director's Report, May 15, 2000
Advice letter to Tom Ammiano dated March 10, 2000
Advice letter to Roger Sanders dated March 15, 2000
Advice letter to James R. Sutton dated March 22, 2000
Letter dated April 28, 2000 from Anthony J. DeLucchi, Department of Real Estate, to Members, Board of Supervisors re: recommendation that legislation be passed authorizing new lease space for Ethics Commission's offices
Legislation authorizing new lease space for Ethics Commission
Job announcement for Deputy Director Position
Memo dated May 11, 2000 from Ginny Vida to Members, Ethics Commission re: Proposal to Submit a Ballot Initiative Providing for Public Financing of Election Campaigns
Letter dated May 4, 2000 from Charles Marstellar, SF Common Cause to Members of the Ethics Commission
San Francisco Bay Guardian editorial dated April 26, 2000, "Killing campaign reform"
San Francisco Chronicle article dated April 25, 2000, "Election Finance Proposals Fail in S.F., Supervisors vote down taxpayer funding"

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

III. Discussion and possible approval of the minutes of the meeting of April 17, 2000.

Motion 00-5-15-29 (Dockendorff/Melbostad) Moved, seconded and passed: That the minutes of the April 17, 2000 meeting be approved.

IV. Executive Director's Report.

Executive Director Ginny Vida referred the Commission to the Executive Director's Report in the agenda packet. She informed the Commission that legislation approving a lease for new office space for the Commission's offices will be considered by the Finance Committee of the Board of Supervisors on Wednesday, May 17.

Ms. Vida announced the resignation of Deputy Director Naomi Starkman effective May 26, 2000. She commended Ms. Starkman for the outstanding contribution she has made to the Ethics Commission.

V. Discussion and possible action re: Proposal to submit a ballot initiative, in the November, 2000 election, amending the San Francisco Administrative Code to provide for public financing of election campaigns.

Commission Chair Isabella Grant stated that the Board of Supervisors declined by a vote of 10 to 1 to approve the Commission's public financing legislation. She stated that the Commission should consider putting a public financing proposal on the November 2000 ballot. She indicated that the Commission's deadline for placing an initiative on the ballot is August 9, 2000.

Ms. Vida referred the Commission to the staff's proposal (in the agenda packet) to submit a ballot initiative providing for public financing of election campaigns ("the proposal"). She stated that staff proposes that the Commission place the same measure on the ballot that it sent to the Board, with the following amendments: 1) the threshold for qualifying contributions should be increased from $5,000 to $10,000; 2) a provision should be added which lifts the voluntary spending limit when a non-participating candidate exceeds 100 percent of the spending limit, or when independent expenditures exceed 25 percent of the spending limit; 3) additional reporting should be required of nonparticipating candidates when they reach both 75 percent and 100 percent of the voluntary spending limit; 4) additional reporting should be required of committees that make independent expenditures that equal or exceed five percent of the voluntary spending limit. Ms. Vida noted that the public financing legislation, if enacted, would not apply until the next supervisorial race, which is 2002.

Commissioner Grant invited Robert Stern, Director of the Center for Government Studies, to comment on the proposal.

Mr. Stern stated that the proposal is excellent and would be suitable for the ballot as written. He stated that if the Commission is interested in making changes to the proposal, he could offer some suggestions. He indicated that the qualification threshold could be set at $7,500, which might prevent frivolous candidates from qualifying but would not deter legitimate candidates from participating in the program. He agreed with staff that there should be additional reporting requirements, as well as a lifting of voluntary spending limits. He stated that although the district court preliminarily enjoined a similar provision of the Campaign Finance Reform Ordinance, given what occurred in the last mayoral election, the City now has the best record in the country upon which to defend such a provision. Mr. Stern suggested that the limits be lifted when independent expenditure committees exceed 50 percent of the spending limit, instead of 25 percent.

Mr. Stern asked the Commission to consider adding a section to the proposal that would limit contributions made to independent expenditure committees. He stated that although the district court found unconstitutional a similar provision in the Campaign Finance Reform Ordinance, the City could now defend the provision, given the influence of independent expenditures in the last mayoral election. Mr. Stern also suggested inserting a provision limiting the amount that a candidate may lend to his or her own committee.

Commissioner Grant then invited Jim Knox, of California Common Cause, to comment on the proposal.

Mr. Knox encouraged the Commission to put a public financing ballot initiative on the November 2000 ballot. He stated that the proposal is a large step forward, but that it could be more comprehensive. He recommended the following changes: 1) a $500 per individual limit on contributions to independent expenditure committees; 2) a $5,000 qualification threshold; and 3) an aggregate contribution limit of $10,000 in any calendar year to candidates, candidate-controlled committees, or committees formed primarily to support or oppose a candidate.

Commissioners Dockendorff and Melbostad expressed interest in adding a provision which would require non-profit, tax-exempt organizations, such as those formed under section 527 of the Internal Revenue Code, to disclose the source of their contributions. Mr. Stern suggested that if the Commissioners were interested in including such a provision, they could require such disclosures if the non-profits run advertisements promoting candidates within 45-60 days of an election.

Steven Hill from the Center for Voting and Democracy indicated his support for the staff proposal. He stated that public financing is a big step towards increasing voter trust in government. He told the Commission that he believed the qualification threshold should be $5,000, not $10,000. He stated that there is no evidence in cities with lower qualification thresholds, such as New York and Long Beach, that the lower threshold caused a proliferation of frivolous candidates to qualify for financing.

Jim Reid, former supervisorial and mayoral candidate, stated that he raised $8,000 for his Mayoral candidacy and $1,800 for his supervisorial run two years ago, and that he would not have qualified for public financing under the staff's proposal. He stated that if the threshold were $10,000 as proposed, only incumbents would qualify for financing. He indicated that very few candidates raised $10,000 in the last supervisorial race.

Joan Mandel of Common Cause urged the Commission to put a public financing initiative on the November 2000 ballot. She recommended that the Commission add a provision limiting contributions to independent expenditure committees.

Arroya Simpson of the Grey Panthers of San Francisco and the Alliance for Democracy urged the Commission to put a public financing initiative on the November 2000 ballot.

Charles Marsteller of San Francisco Common Cause referred the Commission to his letter, included in the agenda packet. He stated that disclosure by non-profit organizations of contributors to their committees would be a good idea. He also stated that the Commission should include a provision limiting contributions to independent expenditure committees to $500. He recommended that the title of the ballot initiative be changed to the Open Elections Act of 2000.

Mike Mooney of San Francisco Common Cause and Alliance for Democracy urged the Commission to put a public financing initiative on the November 2000 ballot. He stated that be believes a $7,000 qualification threshold would be appropriate, and would prevent frivolous candidates from qualifying for funding.

Commissioner Dockendorff stated that he has a number of problems with the staff's proposals. He stated that the proposal should include a limit on contributions to independent expenditure committees and a disclosure provision for non-profit organizations formed under Section 527 of the Internal Revenue Code. He stated that the qualification threshold of $10,000 was too high, and that it should be $7,500. He stated that he did not believe that the legislation should include a lifting of the limits because candidates that accept public financing should be required to stay within the spending limits. Commissioner Dockendorff recommended that the title of the legislation should be changed to "The Fair Elections Act" or "The Open Elections Act." He recommended that language in the findings be toned down and he questioned why the legislation referred to the California Consumer Price Index.

Commissioner Kingsley moved that the Commission place on the November 2000 ballot the legislation it forwarded to the Board of Supervisors, subject to amendments later agreed upon.

Motion 00-5-15-30 (Kingsley/Melbostad) Moved, seconded and passed: That the Commission place on the November 2000 ballot the legislation it forwarded to the Board of Supervisors, subject to amendments later agreed upon.

Motion 00-5-15-31 (Dockendorff/Kingsley) Moved, seconded and passed: That the name of the legislation to be placed on the November, 2000 ballot be entitled "The Fair Elections Act of 2000."

The Commission then discussed the qualification threshold. It was agreed that the threshold should be ten percent of the $75,000 spending limit, or $7,500.

The Commission discussed whether the legislation should include a provision lifting the spending limits if a non-participating candidate exceeds 100 percent of the spending limit, or if independent expenditures exceed 25 percent of the spending limit. Ms. Vida stated that without such a provision, candidates would be less inclined to participate in the public financing program for fear that they might face candidates that could raise and spend unlimited amounts. Mr. Stern agreed with Ms. Vida. Commissioner Dockendorff stated that there should not be a provision lifting the limits because the $75,000 voluntary spending limit provides an adequate amount for a candidate to convey his or her message to the voters.

Commissioner Kingsley made a motion to amend the legislation to include lifting of the spending limits if a non-participating candidate exceeds 100 percent of the spending limit, or if independent expenditures exceed 25 percent of the spending limit.

Motion 00-5-15-32: That the original legislation be amended to include lifting of the spending limits if a non-participating candidate exceeds 100 percent of the spending limit, or if independent expenditures exceed 25 percent of the spending limit. Aye: Kingsley, Norris, Grant; Nay: Dockendorff, Melbostad.

Commissioner Melbostad asked the staff to report at the next meeting on the following possible additions or changes to the public financing legislation: 1) a way to address the loophole regarding statements filed by committees making independent expenditures; 2) a disclosure requirement for non-profit, tax-exempt organizations; 3) a provision limiting contributions to independent expenditure committees to $500; 4) a provision limiting loans by candidates to their own campaigns whether or not they accept public financing; and 5) review the findings.

Motion 00-5-15-33 (Grant/Melbostad): That the Commission place on the November, 2000 ballot the legislation it forwarded to the Board of Supervisors, with the following amendments: that the qualification threshold be $7,500; that the legislation contain additional disclosure provisions as

recommended by staff; that the title of the legislation be changed to "The Fair Elections Act of 2000;" that the spending limits be lifted when nonparticipating candidates exceed the spending limits or when independent expenditures exceed 25% of the spending limits; and that the legislation include any further amendments that the Commission deems appropriate.

Aye: Kingsley, Norris, Grant, Melbostad; Nay: Dockendorff.

Commissioner Norris recommended that the legislation cap the amount spent by the City to run and administer the public financing program. After some discussion, it was decided that the legislation should include a program cost cap "not to exceed $2 per year per resident."

Motion 00-5-15-34 (Norris/Melbostad) Moved, seconded and passed: That the legislation also include a program cost cap "not to exceed $2 per year per resident."

VI. Discussion and possible action re: Items for future agendas.

At the next meeting, the Commission will discuss Commissioner Melbostad's proposed additions to the legislation.

VII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

There was no public comment.

VIII. Adjournment

The meeting was adjourned at 7:50 p.m.

Respectfully submitted,

_____
Katherine Havener
Ethics Investigator/Legal Analyst

\\ETHICS-01SVR\DATA\SHARED\MINUTES\2000\5.15.00.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

SF
E90
1
6/12/00

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING

Monday, June 12, 2000, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlet Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of May 15, 2000.

IV. Executive Director's report

1. FY 00-01 budget
2. Relocation of Commission office
3. Public policy program
4. Advice and opinions
5. Investigation and enforcement program
6. Report on volume of calls received via the Whistleblower Hotline
7. Campaign finance disclosure program
8. Campaign finance audit program
9. Lobbyist program
10. Campaign consultant program
11. Statements of economic interests
12. Declarations received re: amended Sunshine Ordinance

V. Discussion and possible action re: Proposal to submit a ballot initiative, in the November 2000 election, amending the San Francisco Campaign and Governmental Conduct Code to provide for public financing of election campaigns. (The deadline for submission of a ballot measure is August 9, 2000.) Draft legislation will be available from the Commission office on Thursday, June 8.)

VI. Discussion and possible action re: Items for future agendas.

VII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

VIII. Adjournment

DOCUMENTS DEPT.

JUN - 7 2000

SAN FRANCISCO
PUBLIC LIBRARY

(Please turn over for page 2)

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. *Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.*

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\061200.doc

Approved 7/31/00
DOCUMENTS DEPT
SEP 2 $ 2000
SAN FRANCISCO
PUBLIC LIBRARY

Minutes of the
San Francisco Ethics Commission Meeting
City Hall, One Dr. Carlton B. Goodlett Place, Room 408
June 12, 2000, 5:00 p.m.

I. Call to order and roll call.

Chairperson Isabella H. Grant called the meeting to order at 5:19 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Henri E. Norris, Vice-Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner; Carol M. Kingsley, Commissioner.

STAFF PRESENT: Ginny Vida, Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Frank Lester, Staff Assistant.

OFFICE OF THE CITY ATTORNEY: Julia Moll, Deputy City Attorney.

OTHERS PRESENT: Robert Stern, Director of the Center for Governmental Studies; Jim Knox, California Common Cause; Steven Hill, Center for Voting and Democracy; Joan Mandel, Common Cause; Charles Marsteller, Common Cause; Phillip Babcock, Harvey Milk Gay and Lesbian Democratic Club; Anita Mayo, Pillsbury, Madison and Sutro; Steven Hill, Center for Voting and Democracy; Lucy Colvin, San Francisco Green Party County Council.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, June 12, 2000
Draft Minutes of the S.F. Ethics Commission Meeting of May 15, 2000
Minutes of the S.F. Ethics Commission Meeting of April 17, 2000
Executive Director's Report, June 12, 2000
Whistleblower Complaints Registered with the Ethics Commission since July 21, 1997
Letter dated June 6, 2000 from Aaron B. Chong, Campaign Reform Ad Hoc Staff, City of Sacramento, to Joe Lynn, re: Sacramento's interest in San Francisco's online filing system
Memorandum dated June 7, 2000 from Ginny Vida to Members, Ethics Commission re: Draft Legislation for "Fair Elections Ordinance" Ballot Initiative Providing for Public Financing of Elections
Chart re: Recipient Committees That Made Independent Expenditures in San Francisco's 1999 Elections
Electronic mail dated June 7, 2000 from Jim Knox to Ethics Commission re: CFR Ordinance
"Taxpayer-Financed Campaign Measure Goes on S.F. Ballot," San Francisco *Chronicle*, May 16, 2000
"S.F. Voters to Decide on Campaign Finance Reform," San Francisco *Examiner*, May 16, 2000
"Oakland Reinstates Spending Cap: $250 Limit on State Political Action Committee Funds for Local Elections," San Francisco *Chronicle*, June 8, 2000
"Senate Backs Campaign Finance Measure," Washington *Post*, June 8, 2000

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

III. Discussion and possible approval of the minutes of the meeting of May 15, 2000.

Motion 00-6-12-35 (Dockendorff/Kingsley) Moved, seconded and passed: That the minutes of the May 15, 2000 meeting be approved.

IV. Executive Director's Report.

Executive Director Ginny Vida referred the Commission to her report in the agenda packet. She brought the Commission's attention to item number six in the report, referencing a letter received from the City of Sacramento about possible adoption and use of the Ethics Commission's Online Filing System for candidates and committees. Ms. Vida said that it was an exciting development that another jurisdiction has shown interest in implementing San Francisco's electronic filing system. She added that the interest displayed by Sacramento speaks well of the system's efficacy.

V. Discussion and possible action re: Proposal to submit a ballot initiative, in the November, 2000 election, amending the San Francisco Administrative Code to provide for public financing of election campaigns.

Commission Chair Isabella Grant briefly reviewed the procedural history of the proposal, including its consideration and rejection by the Board of Supervisors on a 10-1 vote on April 24, and the Commission's subsequent 4-1 vote at its May 15 meeting to place the proposed legislation on the November 2000 ballot. Commissioner Grant observed that the deadline for placing the initiative on the ballot is August 9, 2000.

Ms. Vida referred the Commission to the June 7 staff report summarizing the legislation. She stated that the draft legislation responds to concerns raised by Commissioner Melbostad regarding the county-versus-city loophole pertaining to pre-election disclosure of contributions by general purpose committees, and incorporates his proposal that contributions to independent expenditure committees be limited to $500.

Remarks from Commissioner Dockendorff. Commissioner Dockendorff reiterated his concern that including in the legislation a provision to lift the spending limits would promote the flow of special interest money into local elections. He stated that given the choice between a candidate who agrees to voluntary expenditure limits without the possibility of lifting those limits, and a candidate who does not agree to such limits, the voter will choose the best candidate. He expressed concern that a provision to lift the spending limits would prevent the passage of the legislation in November. Commissioner Dockendorff stated that if the Commission places a measure on the ballot that includes a provision to lift the limits, the legislation should be split into three separate ballot initiatives:
1) an initiative placing contribution limits on independent expenditure committees; 2) an initiative providing for greater disclosure by "all entities involved in the public financing of local elections;" and 3) an initiative providing for the public financing of campaigns.

In a further comment on 'lifting the limits,' Commissioner Dockendorff stated that there has been no evidence presented to this Commission to show that it is necessary, or even desirable, to add a provision for lifting the voluntary campaign limits to entice candidates to participate in public financing programs.

Ms. Vida responded that the Commission had invested a great deal of time in reaching its previous decision to provide for lifting the spending limits. She said that it was inadvisable to reverse what had already been decided after thorough debate. She also reiterated that without a provision lifting the spending limits, candidates would be less inclined to participate in the public financing program for fear that they might face candidates who could raise and spend unlimited amounts.

Robert Stern. The Commission heard testimony from Robert Stern, Director of the Center for Governmental Studies. He stated that the proposed legislation would improve the situation in San Francisco. He also suggested some changes that might be made to the legislation.

Mr. Stern stated that he believed that the $2,500 limit on contributions by individuals to committees supporting or opposing candidates for City office was high for a jurisdiction as small as San Francisco. In federal election law, according to Mr. Stern, the limit on contributions to committees ($5,000) is five times higher than the limit on contributions to individuals ($1,000) in order to parallel the amount of money a candidate can receive from a political action committee ("PAC"). In San Francisco, however, the limit is $500 whether the contribution is from an individual or a PAC. Mr. Stern stated that the rationale for limiting contributions to committees is that a committee could theoretically launder money to a candidate. He said that courts have upheld this rationale as a lawful restriction on contributions to PACs. Thus, San Francisco would be justified in lowering contributions to committees to $500, he said.

Mr. Stern said that the $12,500 overall spending cap is too large for San Francisco as well. Mr. Stern suggested that a reasonable solution would be to take the individual contribution limit of $500 and multiply it by the number of races in a given year and use that as the overall contribution ceiling. For example, in 2001, when there will be three races, the overall ceiling would be $1,500. In 2004, when there will be 16 races, the limit would be $8,000.

Mr. Stern advised that it would be an important addition to the legislation to have a provision restricting loans by candidates to their own campaigns. He pointed out that other jurisdictions have adopted such restrictions, and they have been upheld by the courts. He suggested that language be inserted in the legislation barring a candidate from personally making outstanding loans to his or her campaign or campaign committee which total at any one point in time more than $25,000, in the case of a candidate for a non-citywide office, or $50,000, in the case of a candidate for Citywide office.

He also suggested including a provision on the retention of campaign finance statements from mayoral and supervisorial candidates for an indefinite period of time. He pointed out that state law mandates keeping all such records on file for five years.

Mr. Stern recommended the inclusion of safeguards against laundering campaign monies. He cited a San Diego ordinance, in effect since 1990, which requires recipients of contributions to obtain all disclosure information (contributor's occupation, employer, name and address) before the recipient may deposit the contribution. He added that before the implementation of this ordinance, San Diego had a 70% disclosure compliance rate, but since the law was implemented, compliance has been universal.

Mr. Stern also recommended a provision governing the dissemination of "issue ads." Under Connecticut law, he stated, any advertisement that clearly identifies a candidate and is broadcast or displayed on a billboard, magazine, newspaper, radio or television 90 days prior to an election is considered to be a disclosable campaign expenditure and subject to the same restrictions as any other campaign contribution or expenditure. He stated that such a provision would force candidates and committees to disclose the contributions that funded the ads. Mr. Stern said that he believed that an even better time frame would be 45 or 60 days prior to an election.

Jim Knox. Jim Knox of California Common Cause also suggested changes in the campaign finance reform initiative. Mr. Knox agreed with Robert Stern that the staff's changes to the initiative continue to move in the right direction. He encouraged the staff to incorporate provisions dealing with candidate loans and issue ads.

Mr. Knox said that Common Cause's preferred approach would be to provide additional public financing to candidates running against self-funded candidates and candidates benefiting from large amounts of independent expenditures. He said that absent additional funding in those circumstances, a provision to lift the ceilings is essential. Otherwise, such candidates would not run.

Mr. Knox questioned whether the language regarding time limits on acceptance of contributions in §1.118(a) of the draft legislation applies not only to solicitation and acceptance of funds during the runoff campaign but also to general election funds carried over to the runoff. He also questioned the purpose of establishing expenditure ceilings for offices not subject to public financing. He suggested that staff clarify section 1.138(d) as to whether the annual cost of administering the public financing program was to be averaged over four years or whether it would be allocated as a per-year draw from the general fund.

Mr. Knox stated that the 25 percent independent expenditure threshold is too low and would not deter candidates from spending money on another candidate's campaign in order to lift the expenditure ceilings. Mr. Knox said he believed that 75 percent would be a better deterrent than 25 percent.

Mr. Knox suggested that the Commission remove the provision in the draft legislation which states that the public financing program shall not apply in the case of insufficient funds in the Election Campaign Fund. Instead, he stated, San Francisco should provide for the pro-rata distribution of available funds to participating candidates.

Mr. Knox said that he believes the provision which gives individuals a private right of action for violations of the public financing provisions should be extended to allow an action for any violation of the Campaign Finance Reform Ordinance. He also suggested that a provision be included in the legislation allowing for amendment of the ordinance by a two-thirds vote of the Board of Supervisors if the amendment is consistent with the original intent and purpose of the measure. He also suggested a "cooling-off" period of two to four years before the Board could propose any amendment to the legislation. Another suggestion would be to include language giving the Commission the right to preview any amendments the Board might make.

Mr. Knox stated that it will take at least 60 days to develop community support and to build momentum for the proposed legislation, and urged the Commission to take immediate action to finalize the proposed legislation.

Phillip Babcock of the Harvey Milk Democratic Club stated that the $2,500 contribution limit to committees supporting or opposing candidates for City elective office is excessive. He said a limit of $500 per year would be better. He also endorsed the idea of basing the overall contribution cap on the number of races in a given election year. He added that it would be good to see how the caps work in a real election cycle before coming to any final conclusions on whether to improve them.

Anita Mayo of Pillsbury, Madison and Sutro read a statement into the record about the inadvisability of the Commission pursuing a course that would be "constitutionally invalid." (See also attached letter from Frederick K. Lowell. Documents attached to Mr. Lowell's letter are available from the Ethics Commission office for public review.) Ms. Mayo said that placing a $12,500 cap on contributions to independent expenditure committees would hinder candidates from effectively "amplifying the voice of their adherents." She quoted from the U.S. Supreme Court decision in *Buckley v. Valeo* to the effect that any restriction on independent expenditure committee spending would be a prior restraint on First Amendment guarantees of political expression and freedom of association. She also said that any cap on independent expenditure committee spending would run afoul of U.S. Northern District Judge Claudia Wilken's September 1999 injunction enjoining enforcement of §16.508 of the San Francisco Administrative Code "to the extent that it limits the amount that an individual or entity may contribute to

independent expenditure committees that have made and will make only independent expenditures in support of or in opposition to a candidate." Ms. Mayo urged the Commission to delete the constitutionally and legally suspect portions of the proposed legislation.

Joan Mandle of California Common Cause stated that limits on expenditures should not be confused with limits on contributions, and that limits on contributions are a legitimate and court-sanctioned avenue for political reform. She commended the Commission for its work and urged it to take speedy action on the proposed reform initiative.

Steven Hill of the Center for Voting and Democracy said that while he supported the general idea of adding disclosure requirements to the legislation, these requirements would not change current political practices. He urged the Commission to implement strong campaign finance reform. He said that spending limits would carry more meaning if participating candidates were provided additional public funds if the spending caps were lifted.

Lucy Colvin of the San Francisco Green Party County Council stated that it is essential that the Commission put the proposed legislation on the November ballot. She urged the Commission to leave the legislation intact and not split it or otherwise dilute it, and added that a comprehensive public financing package would include the mayoral race and not just the supervisorial races. She endorsed the idea of pro rata distribution in the case of an insufficient amount in the Election Campaign Fund.

The Commission then discussed whether to amend the draft legislation so as to eliminate the provision lifting the expenditure ceilings. The Commission also discussed whether to lift separately the ceiling for the general and run-off elections. However, after debate, it was agreed that it would be administratively difficult to lift the expenditure ceilings in the narrow time frame of a five-week run-off election.

The Commission then considered several proposals made by Messrs. Stern and Knox.

Motion 00-6-12-36 Passed by unanimous consent: That the Commission amend the proposed legislation to include a provision that in the event that there is an amount in the Election Campaign Fund insufficient to finance all participating candidates, a pro-rated share of the available campaign funds will be distributed.

Motion 00-6-12-37 Moved, seconded and not passed: That the Commission amend the proposed legislation to include lifting the spending limits if non-participating candidates or independent expenditures exceed 100 percent of the spending limit.

Aye: Grant, Norris; Nay: Melbostad, Kingsley, Dockendorff.

Motion 00-6-12-38 (Norris/Kingsley) Moved, seconded and passed: That the proposed legislation remain as is, wherein the spending limits are lifted if a non-participating candidate exceeds 100 percent of the spending limit, or if independent expenditures exceed 25 percent of the spending limit.

Aye: Kingsley, Norris, Grant; Nay: Dockendorff, Melbostad.

Motion 00-6-12-39 (Norris/Kingsley) Moved, seconded and passed unanimously: That the legislation include a donor cap prohibiting (a) individual contributions to candidates or committees in primary or general elections from exceeding $500 per calendar year (reducing the limit from $2,500) and (b) overall contributions to candidates and committees from exceeding an amount of

$500 per calendar year multiplied by the number of races on the ballot in a given election (as opposed to a blanket cap of $12,500 per calendar year).

Motion 00-6-12-40 (Norris/Dockendorff) Moved, seconded, and passed unanimously: That no contribution of $100 or more be deposited into a campaign's bank account without obtaining the required disclosure data (contributor occupation, employer, name, address).

Motion 00-6-12-41 (Melbostad/Dockendorff) Moved, seconded, and failed: That there be a limit of $25,000 on personal loans by candidates to their own campaigns.

Nay: Grant, Norris, Kingsley. Aye: Melbostad, Dockendorff.

Robert Stern pointed out that Kentucky adopted a law limiting gubernatorial candidates from loaning more than $50,000 to their own campaigns, and that the law was challenged in court but upheld. Commissioner Norris stated that the issue of what amounts citywide and non-citywide candidates may loan to their own campaigns should be revisited at a point when closer and more comprehensive attention could be paid to it.

By general consensus, the Commission decided:

1. That the language in §1.138(d) regarding "cost" should be changed to "appropriation."

2. That the records retention requirements in the draft legislation, providing that campaign statements must be preserved for at least four years, should be deleted.

3. To insert a provision into the legislation allowing the campaign finance reform ordinance to be amended by a two-thirds vote of the Board of Supervisors.

The Commission decided that further staff study was needed on the following items:

1. Whether to adopt a framework similar to that in Connecticut state law applying contribution limits and disclosure requirements to any issue advocacy advertisements broadcast or disseminated within 90 days of an election (Robert Stern said that he would submit proposed language on this matter for staff's consideration); and

2. Whether §1.168 of the draft legislation should be expanded to include a private right of action for violations of *any* provisions of the CFRO, not merely violations of the public financing provisions.

VI. Discussion and possible action re: Items for future agendas.

The Commission decided to hold a special meeting during the last week of June to discuss in further detail items which were not discussed in tonight's session.

VII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

There was no public comment.

VIII. Adjournment

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,

_____
Frank Martinez Lester
Staff Assistant

\\ETHICS-01SVR\DATA\SHARED\MINUTES\2000\06.12.00.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

DOCUMENTS DEPT.

JUN 16 2000

SAN FRANCISCO
PUBLIC LIBRARY

SAN FRANCISCO ETHICS COMMISSION

NOTICE OF SPECIAL MEETING AND AGENDA

Monday, June 26, 2000, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. **Call to order and roll call**

II. **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

III. **Discussion and possible action re: Proposal to submit a ballot initiative, in the November 2000 election, amending the San Francisco Campaign and Governmental Conduct Code to provide for public financing of election campaigns. (The deadline for submission of a ballot measure is August 9, 2000.) Draft legislation will be available from the Commission office on Thursday, June 22.**

IV. **Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission**

V. **Adjournment**

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

SF
E90
#2
6/26/00
special

(Approved 7/31/00)

Minutes of the
Special Meeting of the San Francisco Ethics Commission
City Hall, One Dr. Carlton B. Goodlett Place, Room 408
June 26, 2000, 5:00 p.m.

DOCUMENTS DEPT.
SEP 2 9 2000
SAN FRANCISCO
PUBLIC LIBRARY

I. Call to order and roll call.

Chairperson Isabella H. Grant called the meeting to order at 5:10 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Henri E. Norris, Vice-Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner. Commissioner Carol M. Kingsley was absent and excused.

STAFF PRESENT: Ginny Vida, Executive Director; Katherine Havener, Ethics Investigator/Legal Analyst; Frank Lester, Staff Assistant; Shaista Shaikh, Campaign Finance Auditor.

OFFICE OF THE CITY ATTORNEY: Claire Sylvia, Deputy City Attorney.

OTHERS PRESENT: Robert Stern, Director, Center for Governmental Studies; Joan Mandle, California Common Cause; Charles Marsteller, Common Cause; Anita Mayo, Pillsbury, Madison and Sutro; Jo Ann Fuller, Common Cause; Mike Mooney, Alliance for Democracy; Fred Ridel; Christopher Bowman; JR Manual.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, June 26, 2000
Draft Minutes of the S.F. Ethics Commission Meeting of June 12, 2000
Memorandum dated June 21, 2000 from Julie Moll to Members, Ethics Commission re: Draft Legislation for "Fair Elections Ordinance" Ballot Initiative Providing for Public Financing of Elections

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

III. Discussion and possible action re: Proposal to submit a ballot initiative, in the November 2000 election, amending the San Francisco Campaign and Governmental Conduct Code to provide for public financing of election campaigns.

Commission Chair Isabella H. Grant briefly outlined the issues to be considered by the Commission. Executive Director Ginny Vida noted that the revised draft of the proposed ballot measure incorporates the modifications approved by the Commission at its June 12, 2000 meeting. Ms. Vida explained that the revised legislation would: 1) provide for pro rata distribution of funds; 2) reduce the limit on contributions to each committee from $2,500 to $500; 3) change the overall limit on contributions to candidates and committees from $12,500 to $500 multiplied by the number of City elective offices to be voted on during the calendar year; 4) require that committee treasurers obtain information about the contributor prior to depositing the contribution; 5) delete the document retention periods; 6) substitute the word "appropriation" for "cost"; and 7) authorize the Ethics Commission and the Board to amend the Ordinance in the future.

The Commission proceeded to discuss and vote on additional amendments to the proposed ballot measure. With respect to the threshold that triggers the lifting of the spending limit in the case of independent spending, Ms. Vida expressed concern that a threshold of 25 percent of the spending limit is

too low. She said that the limits may be lifted too soon in view of the large amount of independent spending that occurred in 1999. Staff recommended that the spending limit be lifted when independent expenditures reach 100 percent, instead of 25 percent, of the voluntary spending limit.

Motion 00-6-26-42 (Melbostad/Norris) Moved, seconded and passed: That the Commission amend the proposed legislation to raise the threshold for lifting the spending limits from 25 percent to 100 percent, so that the voluntary spending limits are lifted if independent expenditures exceed 100 percent of the spending limit.

Ms. Vida also noted that the proposed aggregate contribution limit of $500 times the number of offices on the ballot is set too low to allow a contributor to give the maximum amount to each candidate the contributor could vote for in years in which there are only two or three offices on the ballot. She said this formula does not take into consideration the $250 contribution limit allowed in a run-off.

A discussion ensued on what the appropriate aggregate contribution limit for candidate committees and non-candidate committees should be.

Public Comment
Anita Mayo, of Pillsbury, Madison and Sutro, noted that the legislation included the language "calendar year" regarding contribution limits and suggested that the Commission might be prohibiting contributions during a non-election year. Ms. Mayo stated that a provision prohibiting contributions during non-election years would favor incumbents. Ms. Mayo recommended that Sec. 1.114(d) be a separate section.

Christopher Bowman expressed concern that the provision in the legislation regarding aggregate contribution limits with respect to candidate-controlled committees was too restrictive. Mr. Bowman noted that under this provision, he would be able to contribute to only one candidate for each office. Mr. Bowman recommended that the aggregate contribution limits be revised to allow contributors to contribute to at least two candidates for each office.

Robert Stern, Director of the Center for Governmental Studies, recommended that the aggregate contribution limits for contributions to candidate-controlled committees be $500 multiplied by the number of vacant seats for the general election, and an additional $250 multiplied by the number of vacant seats for the run off election. Mr. Stern recommended that for non-candidate committees, the aggregate contribution limit be a fixed amount, such as, $2,000. Mr. Stern also recommended that the language "calendar year" be deleted from the legislation.

Charles Marsteller, Common Cause, recommended that the Commission adopt parallel models in determining aggregate contribution limits for candidate-controlled and non-candidate committees. Mr. Marsteller recommended that for candidate-controlled committees, the aggregate limit be set at $500 multiplied by the number of vacant seats for the general election, and $250 multiplied by the number of vacant seats for the run off election. Mr. Marsteller further stated that the aggregate limit for non-candidate committees should be the same as the limit for candidate-controlled committees.

Joan Mandle, Common Cause, endorsed Mr. Stern's proposal.

JR Manual expressed support for a fixed limit for non-candidate committees.

Commissioner Robert D. Dockendorff expressed support for Mr. Marsteller's recommendation.

Commissioner Paul Melbostad noted that independent spending undermines the limits placed on contributions to candidate-controlled committees. Commissioner Melbostad explained that the intent of the legislation is to address the shortcomings of prior contribution limits, not to fuel the undermining of limits placed on contributions to candidate-controlled committees. Ms. Vida recommended that the

aggregate contribution limits to non-candidate controlled committees be fixed at $5,000. Commissioner Grant suggested that the limits be fixed at $3,000.

Commissioner Dockendorff expressed his concern regarding a fixed contribution limit for non-candidate controlled committees. He noted that during an election in which there are many contested offices, the amount of money that could be spent on each race would be less.

Motion 00-6-26-43 (Melbostad/Norris) Moved, seconded and passed: That the Commission amend the legislation so that aggregate contribution limits be set as follows: a) for candidate-controlled committees, $500 multiplied by the number of offices for the general election and $250 multiplied by the number of offices for the run off election, per election cycle; and b) for non-candidate committees, a $3,000 limit per calendar year.

The Commission then agreed on draft language for a process by which the legislation could be amended by the Ethics Commission and the Board of Supervisors, under certain conditions.

Motion 00-6-26-44 (Melbostad/Dockendorff) Moved, seconded and passed: That the Commission adopt the provisions of the draft legislation that authorize the Ethics Commission and the Board of Supervisors to amend the Ordinance if specified conditions are met.

Commissioner Dockendorff recommended that the provision limiting loans of personal funds by a candidate to his/her own campaign apply to all candidates, not just those who accept public financing. Ms. Vida noted that while some candidates have loaned their campaigns money, there is no evidence that elected candidates have abused this practice by raising contributions after assuming office to repay themselves for the loans.

Mr. Stern recommended that the current limit on loans of $10,000 be changed to $25,000. Mr. Stern also recommended that this limit represent the amount of personal loans that a candidate may have outstanding at any time.

Commissioner Melbostad recommended that non-participating candidates limit their loans to $25,000 and participating-candidates limit their loans to $10,000. Commissioners Grant and Dockendorff proposed that equal loan restrictions be applied to all candidates.

Motion 00-6-26-45 (Dockendorff/Norris) Moved, seconded and passed: That the Commission amend the legislation to require all candidates to limit loans to their campaigns of $15,000 outstanding at any time.

It was noted that the above restriction does not restrict candidates from contributing their own money to finance their campaigns.

Fred Ridel, Common Cause, noted that the civil enforcement provision in the legislation regarding the private right of action applies only to public financing. Mr. Ridel recommended that the legislation be amended so that the enforcement provision would compel compliance to all provisions of the ordinance and all civil actions alleging violations of the ordinance.

Motion 00-6-26-46 (Melbostad/Dockendorff) Moved, seconded and passed: That the Commission amend the legislation so that the private right of action provision applies to all provisions, not just the public financing provisions.

A discussion ensued on retention of campaign statements.

Motion 00-6-26-47 (Norris/Dockendorff) Moved, seconded and passed: That the Commission

amend the legislation so that: a) the provision in Sec. 1.112 regarding the document retention period be reinstated; and b) the documents be retained for at least eight years, the equivalent of two election cycles.

Ms. Mayo recommended that the Commission adopt the State law definition of a committee.

Motion 00-6-26-48 (Melbostad/Dockendorff) Moved, seconded and passed: That the Commission amend the legislation to replace the definition of "committee" with the definition provided by State law.

Deputy City Attorney Claire Sylvia advised that if the Commission had intended to make the private right of action parallel State law, it should change the 30-day period for the civil enforcement authority to act to 120 days. Mr. Stern recommended changing this period to 60 days.

Motion 00-6-26-49 (Melbostad/Dockendorff) Moved, seconded and passed: That the Commission amend the legislation so that the 30-day period for the civil enforcement authority to act be changed to a 60-day period.

With respect to notification requirements regarding spending levels, Ms. Mayo stated that she did not see a need to impose these notification requirements in elections where there are no participating candidates and committees. Ms. Mayo stated that if no candidate in a race for a particular office accepts the voluntary expenditure ceiling, then there is no need for notification requirements.

Ms. Vida stated that candidates who are contemplating accepting the voluntary limits would find it helpful to be notified of the level of spending of their opponents. She said that candidates have until the date of filing nomination papers (in early August) to decide whether to accept or decline the limits. She also said that the Voter Information Handbook provides notice to voters as to which candidates have accepted the limits.

Motion 00-6-26-50 (Melbostad/Grant) Moved, seconded and passed: That the Commission amend the legislation to eliminate the notification requirement with respect to spending levels when no candidate for a particular elective office has accepted the spending limit.

Motion 00-6-26-51 (Melbostad/Dockendorff) Moved, seconded and passed: That the Commission place the proposed measure on the ballot as amended.

IV. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no further public comment.

V. Adjournment

The meeting was adjourned at 6:45 p.m.

Respectfully submitted,

_____
Shaista Shaikh
Campaign Finance Auditor

P:\SHARED\MINUTES\2000\06.26.00.doc

ETHICS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

F
90
1

ISABELLA H. GRANT
CHAIRPERSON
10/00
HENRI E. NORRIS
VICE-CHAIRPERSON
ncelled
ROBERT D.
DOCKENDORFF
COMMISSIONER

CAROL M. KINGSLEY
COMMISSIONER

PAUL H. MELBOSTAD
COMMISSIONER

VIRGINIA E. VIDA
EXECUTIVE DIRECTOR

DATE: July 5, 2000

TO: Members, Ethics Commission
Interested Organizations and Individuals

FROM: Ginny Vida
Ethics Commission

The July 10, 2000 meeting of the San Francisco Ethics Commission has been cancelled.

The meeting may be rescheduled for a later date in July. A notice will be posted and issued when a date for the next meeting is confirmed.

P:\SHARED\AGENDA\2000\cancellation of 7.10 mtg.doc

DOCUMENTS DEPT.
JUL - 6 2000
SAN FRANCISCO
PUBLIC LIBRARY

1390 Market Street, Suite 801 • San Francisco, CA 94102-5302 • Phone (415) 554-9510 • Fax (415) 554-8757
E-Mail Address: ethics_commission@ci.sf.ca.us Web site: http://www.ci.sf.ca.us/ethics/

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

/31/
f
90
1
/31/00

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING

Monday, July 31, 2000, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlet Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of February 15, 2000, June 12, 2000, and June 26, 2000.

IV. Executive Director's report.

1. FY 00-01 budget
2. Relocation of Commission office
3. Public policy program
4. Advice and opinions
5. Investigation and enforcement program
6. Report on volume of calls received via the Whistleblower Hotline
7. Campaign finance disclosure program
8. Campaign finance audit program
9. Lobbyist program
10. Campaign consultant program
11. Statements of Economic Interests
12. Declarations received re: amended Sunshine Ordinance

DOCUMENTS DEPT.

JUL 26 2000

SAN FRANCISCO
PUBLIC LIBRARY

V. Discussion and possible action re: Guidelines for selection of campaign committees for audit. A staff report and recommendation will be available from the Ethics Commission office on Thursday, July 27.

VI. Discussion and possible action re: Proposed amendment to the S.F. Campaign and Governmental Conduct Code providing an administrative and civil remedy for misuse of City resources. A staff report will be available from the Commission office on Thursday, July 27.

(Please turn over for page 2)

IX. Discussion and possible action re: Items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\073100.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

7/31/
F
90
1
7/31/00
Revised

REVISED

SAN FRANCISCO ETHICS COMMISSION AGENDA

for REGULAR MEETING

Monday, July 31, 2000, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlet Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of ~~February 15, 2000~~ February 7, 2000, June 12, 2000, and June 26, 2000.

IV. Executive Director's report.

1. FY 00-01 budget
2. Relocation of Commission office
3. Public policy program
4. Advice and opinions
5. Investigation and enforcement program
6. Report on volume of calls received via the Whistleblower Hotline
7. Campaign finance disclosure program
8. Campaign finance audit program
9. Lobbyist program
10. Campaign consultant program
11. Statements of Economic Interests
12. Declarations received re: amended Sunshine Ordinance

DOCUMENTS DEPT

JUL 27 2000

SAN FRANCISCO
PUBLIC LIBRARY

V. Discussion and possible action re: Guidelines for selection of campaign committees for audit. A staff report and recommendation will be available from the Ethics Commission office on Thursday, July 27.

VI. Discussion and possible action re: Proposed amendment to the S.F. Campaign and Governmental Conduct Code providing an administrative and civil remedy for misuse of City resources. A staff report will be available from the Commission office on Thursday, July 27.

(Please turn over for page 2)

IX. Discussion and possible action re: Items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\073100.doc

(Approved 9/11/00)
DOCUMENTS DEPT.
SEP 2 9 2000
SAN FRANCISCO
PUBLIC LIBRARY

Minutes of the
Meeting of the San Francisco Ethics Commission
City Hall, One Dr. Carlton B. Goodlett Place, Room 408
July 31, 2000, 5:00 p.m.

I. Call to order and roll call.

Vice-Chairperson Henri E. Norris called the meeting to order at 5:05 p.m.

COMMISSION MEMBERS PRESENT: Henri E. Norris, Vice-Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner; Carol M. Kingsley, Commissioner.
Commission Chair Isabella H. Grant was excused.

STAFF PRESENT: Ginny Vida, Executive Director; Shaista Shaikh, Campaign Finance Auditor; Jennifer Taloa, Staff Assistant.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney.

OTHERS PRESENT: Charles Marsteller, Common Cause; Margaret Ropchan, Common Cause.

MATERIALS DISTRIBUTED:
S.F. Ethics Commission Agenda, July 31, 2000
Draft Minutes of the S.F. Ethics Commission Meeting of February 7, 2000
Draft Minutes of the S.F. Ethics Commission Meeting of June 12, 2000
Draft Minutes of the S.F. Ethics Commission Meeting of June 26, 2000
Approved Minutes of the S.F. Ethics Commission Meeting of May 15, 2000
Executive Director's Report for the Meeting of July 31, 2000
Memorandum dated July 25, 2000 from Ginny Vida to Members, Ethics Commission re: Revising Guidelines for Selecting Committees to Audit
Memorandum dated July 27, 2000 from Ginny Vida to Members, Ethics Commission re: Draft Legislation Prohibiting Misuse of City Resources
Summary of Fair Elections Ordinance Provisions

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

There was no public comment at this time.

III. Discussion and possible approval of the minutes of the meetings of February 7, 2000, June 12, 2000, and June 26, 2000.

With respect to the minutes of the February 7, 2000 meeting, Commissioner Robert D. Dockendorff requested that the second sentence of the third paragraph under Item II, on page 1, read as follows: "Commissioner Dockendorff proposed that the threshold be increased to $7,500 as a compromise." He also requested that the last sentence of that paragraph be removed.

Motion 00-7-31-52 (Kingsley/Melbostad) Moved, seconded and passed unanimously: That the minutes of the February 7, 2000, meeting be approved as amended and that the minutes of the meetings of June 12, 2000, and June 26, 2000, be approved as drafted.

IV. Executive Director's Report.

Executive Director Ginny Vida noted that in the Executive Director's report, the reference to Joe Remcho in item three on page one is incorrect. Mark Mosher, not Mr. Remcho, joined Frederick Lowell in a presentation opposing the Commission's ballot measure.

Ms. Vida reported that on July 25 she explained the provisions of the ballot measure to the Executive Committee of the Republican County Central Committee, which subsequently voted to recommend to the Republican County Central Committee that it oppose the measure. Ms. Vida advised that she has accepted an invitation to address the full Republican County Central Committee on August 16. (Commissioner Melbostad has since confirmed that he will join Ms. Vida in this presentation.)

Commissioner Melbostad noted that opposition to the Commission's ballot measure may be due to concern regarding its constitutionality. He stated that no court decision has held that limits on contributions, made to committees that make independent expenditures, are unconstitutional. Commissioner Melbostad stated that the City Attorney is prepared to vigorously defend the measure in court. He also stated that Judge Wilken's decision pertained only to the City Attorney's opinion letter that was before the court, and that the Commission's ballot measure is different. Commissioner Melbostad noted that the Commission was made aware of recent court decisions regarding contribution limits before it approved the measure.

Ms. Vida noted that an updated Executive Director's Report will be forwarded to the members of the Commission and posted to the web site in a few days.

Public Comment
Charles Marsteller of Common Cause suggested that Ms. Vida identify a Republican supporter of the Commission's ballot measure to communicate his or her support to the Republican County Central Committee.

Mr. Marsteller suggested that other institutions such as COGEL and the Center for Governmental Studies might convey to the Republican County Central Committee their comments concerning constitutionality of the ballot measure.

V. Discussion and possible action re: Guidelines for selection of campaign committees for audit.

Ms. Vida directed the Commission to the memo dated July 25, 2000 regarding Revising Guidelines for Selecting Committees to Audit. Ms. Vida noted that the chart on page three of the memo presents an analysis of the 1999 committees. Sixty eight committees are subject to audit under the Commission's guidelines. Ms. Vida explained that staff is proposing the same guidelines, except that the audit selection, instead of being conducted by the Commission at a meeting of the Commission, would be conducted by the Executive Director. Members of the public, including committees subject to audit, would

be invited to witness the selection. Ms. Vida noted that this change would allow greater flexibility in scheduling the audit selection. After some discussion, the Commission agreed to approve this change. The Commission also agreed that one member of the Commission will be present to witness the selection.

Ms. Vida reported that 26 percent of the committees included in the 1999 audit pool are local recipient committees that made independent expenditures. Only the 18 committees that were required to file with the Ethics Commission were included in the audit pool. Ms. Vida noted that the Fair Political Practices Commission has advised that State committees that made independent expenditures in San Francisco elections cannot be audited by the Ethics Commission because it does not have the authority to demand documents from committees for which it does not serve as filing officer.

Motion 00-7-31-53 (Melbostad/Kingsley) Moved, seconded and unanimously passed: That the Commission approve the proposed guidelines for selecting committees to audit, as amended; that the public will be invited; and that a member of the Commission shall be present at the time of the audit selection.

VI. Discussion and possible action re: Proposed amendment to the S.F. Campaign and Governmental Conduct Code providing an administrative and civil remedy for misuse of City resources.

Ms. Vida explained that this proposal would expand the Commission's enforcement authority concerning complaints alleging misuse of City resources. She reported that 20 complaints relating to the misuse of City resources have been filed with the Commission, but the Commission has not been able to take enforcement action. She advised that misuse of City resources is prohibited by State law; however, the Commission has no enforcement authority over State law. The City Attorney's enforcement authority is limited to requiring violators to repay the City for the cost of resources used. There is no civil or administrative penalty. The District Attorney can prosecute a violator and the criminal penalty is two to four years in prison. Ms. Vida advised that administrative and civil penalties are needed. She suggested that if an employee of a City department used the copy machine to make 500 copies of a political mailer, for example, the District Attorney may not want to act, and the Ethics Commission and City Attorney currently have no authority to act.

Commissioner Dockendorff questioned the need for the proposed amendment. Also, he suggested that department heads establish their own policies regarding use of e-mail and other City equipment. Ms. Moll advised that department heads currently cannot authorize personal use of City resources. State law requires that authorization come from the City's legislative body, the Board of Supervisors.

Commissioner Dockendorff noted that an extension of the Commission's enforcement authority would require additional resources. Commissioner Carol M. Kingsley recommended adding a provision providing for an increase in Commission resources to cover administrative costs.

After some discussion, the Commission approved the staff proposal, subject to the City Attorney's drafting of additional language about appropriation of resources to administer the new law.

Motion 00-7-31-54 (Melbostad/Kingsley) Moved, seconded and unanimously passed: That the draft legislation prohibiting misuse of City resources be forwarded to the Board of Supervisors. The City Attorney will draft language regarding a provision for additional resources, which Commissioner Kingsley will review and approve.

VII. Discussion and possible action re: Items for future agendas.

Ms. Vida noted that the next Commission meeting will be held in September. (The September meeting has since been scheduled for Monday, September 11.)

VIII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

Mr. Marsteller spoke about the letter that San Francisco Common Cause sent to the Civil Grand Jury. He noted that the letter was sent after careful consideration and was intended to request a constructive audit of the Commission's resources. The letter also proposed greater autonomy for the Commission from the Mayor's Budget Office and the City Attorney. Mr. Marsteller explained that the purpose of Common Cause's letter was to induce the Civil Grand Jury to consider the Commission's structure and resources.

Commissioner Melbostad said he understood that the intention of the first part of the letter was to bring to public attention the gross inadequate funding of the Commission. Commissioner Melbostad noted that the letter was not a criticism of the Commission or its staff regarding policy decisions, but that it was really a criticism of the Board of Supervisors and other elected officials for not providing adequate funding for the Commission. He indicated that he did not necessarily agree with the second part of the letter. Commissioner Dockendorff stated that Common Cause should be applauded for its efforts. Mr. Marsteller noted that the letter was not a criticism of anyone's performance. He stated that the intent of the letter was to improve the Commission's structure and resources.

IX. Adjournment

Motion 00-7-31-55 (Melbostad/Kingsley) Moved, seconded and unanimously passed: That the meeting be adjourned.

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

_____
Shaista Shaikh
Campaign Finance Auditor

P:\SHARED\MINUTES\2000\07.31.00.doc

ETHICS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

ISABELLA H. GRANT
CHAIRPERSON
HENRI E. NORRIS
VICE-CHAIRPERSON
ROBERT D. DOCKENDORFF
COMMISSIONER
CAROL M. KINGSLEY
COMMISSIONER
PAUL H. MELBOSTAD
COMMISSIONER
VIRGINIA E. VIDA
EXECUTIVE DIRECTOR

DATE: August 8, 2000

TO: Interested individuals and organizations
1999 San Francisco committees subject to audit in FY 00-01
Campaign consultants

FROM: Ginny Vida
Executive Director

RE: Notice of public audit selection - Monday, August 14, 2000

On Monday, August 14, 2000, in Room 408 City Hall (1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102), **the San Francisco Ethics Commission will conduct a random selection of 1999 committees subject to audit.** The audits will be performed in the current fiscal year (FY 00-01). A total of 10 committees will be selected for audit from a pool of 69 committees.

At its last meeting on July 31, the Ethics Commission approved a motion providing that the audit selection will be conducted by the Executive Director, and that the selection process will be open to the public. A member of the Ethics Commission will be present to witness the audit selection process.

Members of the public are welcome to attend. Please call 554-9510 if you have any questions.

DOCUMENTS DEPT.
AUG - 8 2000
SAN FRANCISCO
PUBLIC LIBRARY

1390 Market Street, Suite 801 • San Francisco, CA 94102-5302 • Phone (415) 554-9510 • Fax (415) 554-8757
E-Mail Address: ethics_commission@ci.sf.ca.us Web site: http://www.ci.sf.ca.us/ethics/

ETHICS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

ISABELLA H. GRANT
CHAIRPERSON

HENRI E. NORRIS
VICE-CHAIRPERSON

ROBERT D. DOCKENDORFF
COMMISSIONER

CAROL M. KINGSLEY
COMMISSIONER

PAUL H. MELBOSTAD
COMMISSIONER

VIRGINIA E. VIDA
EXECUTIVE DIRECTOR

REVISED

DATE: August 9, 2000

TO: Interested individuals and organizations
1999 San Francisco committees subject to audit in FY 00-01
Campaign consultants

FROM: Ginny Vida
Executive Director

RE: Notice of public audit selection - Monday, August 14, 2000 at 5:00 p.m.

On Monday, August 14, 2000, at 5:00 p.m. in Room 408 City Hall (1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102), **the San Francisco Ethics Commission will conduct a random selection of 1999 committees subject to audit.** The audits will be performed in the current fiscal year (FY 00-01). A total of 10 committees will be selected for audit from a pool of 69 committees.

At its last meeting on July 31, the Ethics Commission approved a motion providing that the audit selection will be conducted by the Executive Director, and that the selection process will be open to the public. A member of the Ethics Commission will be present to witness the audit selection process.

Members of the public are welcome to attend. Please call 554-9510 if you have any questions.

Please note that there is no Commission meeting scheduled for August 2000. The next Commission meeting will take place on Monday, September 11, 2000, at 5 p.m. , Room 408 City Hall.

DOCUMENTS DEPT.

AUG - 9 2000

SAN FRANCISCO
PUBLIC LIBRARY

1390 Market Street, Suite 801 • San Francisco, CA 94102-5302 • Phone (415) 554-9510 • Fax (415) 554-8757
E-Mail Address: ethics_commission@ci.sf.ca.us Web site: http://www.ci.sf.ca.us/ethics/

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

90
f
90
1
/11/00

SAN FRANCISCO ETHICS COMMISSION AGENDA

Monday, September 11, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of July 31, 2000.

IV. Executive Director's report.

1. FY 00-01 budget
2. Public policy program
3. Advice and opinions
4. Investigation and enforcement program
5. Report on volume of calls received via the Whistleblower Hotline
6. Campaign finance disclosure program
7. Campaign finance audit program
8. Lobbyist program
9. Campaign consultant program
10. Statements of Economic Interests
11. Declarations received re: amended Sunshine Ordinance

DOCUMENTS DEPT

SEP - 6 2000

SAN FRANCISCO
PUBLIC LIBRARY

V. Random selection of <u>one</u> 1999 campaign committee from Financial Activity Level One ($400,000 and above) to be audited in FY 00-01. Nine committees have already been selected. A staff report will be available from the Commission office on Thursday, September 7, 2000.

VI. Discussion and possible action: The Ethics Commission has identified a variety of gaps and anomalies in the campaign reporting requirements imposed by the Political Reform Act. Proposal that staff report to the Ethics Commission about these gaps and anomalies, and propose changes to the Act that would address these problems. The Commission would then propose these changes to San Francisco's State Legislative Committee and to the Fair Political Practices Commission (FPPC). A staff report on this agenda item will be available on Thursday, September 7, 2000.

(Please turn over for page 2)

VII. Possible closed session pursuant to Ralph Brown Act, Section 54957 and Sunshine Ordinance section 67.11, Personnel (appointment of Deputy Executive Director)

VIII. Discussion and Possible Action re: Disclosure of closed session pursuant to Ralph Brown Act section 54957.1 and Sunshine Ordinance section 67.14

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: personnel (appointment of Deputy Executive Director).

IX. Possible closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Pending Litigation
Number of possible cases: 1

X. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.14 on whether to disclose action taken or discussions held in closed session.

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: pending litigation.

XI. Discussion and possible action re: Items for future agendas.

XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XIII. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

SF
90
2
1/11/00

City & County of San Francisco

Ethics Commission

(Approved 11/13/00)

Minutes of the

Meeting of the San Francisco Ethics Commission

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

September 11, 2000, 5:00 p.m.

I. Call to order and roll call.

Chairperson Isabella H. Grant called the meeting to order at 5:05 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Paul H. Melbostad, Commissioner; Philip S. Ryan, Commissioner. Commissioners Robert D. Dockendorff and Carol M. Kingsley were excused.

STAFF PRESENT: Ginny Vida, Executive Director; Joe Lynn, Campaign Finance Officer; Shaista Shaikh, Campaign Finance Auditor; Jennifer Taloa, Staff Assistant.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney; Chad Jacobs, Special Assistant.

OTHERS PRESENT: Jeffrey Liebowitz; Fred Ridel, Common Cause; Anita Mayo, Esq., Pillsbury, Madison & Sutro.

MATERIALS DISTRIBUTED:

DOCUMENTS DEPT.
DEC 2 0 2001
SAN FRANCISCO
PUBLIC LIBRARY

S.F. Ethics Commission Agenda, September 11, 2000

Draft Minutes of the S.F. Ethics Commission Meeting of July 31, 2000

Approved Minutes of the S.F. Ethics Commission Meeting of June 26, 2000

Approved Minutes of the S.F. Ethics Commission Meeting of February 7, 2000

Executive Director's Report for the Meeting of September 11, 2000

Proponent's Argument: Proposition O

Opponent's Argument: Proposition O

Proponent's Rebuttal: Proposition O

Advice Letter to Esther Marks, dated June 22, 2000

Memorandum dated August 28, 2000 from Ginny Vida to Members, Ethics Commission re: 1999 SF Committees to audit in FY 00-01, Activity Level One

Memorandum dated September 7, 2000 from Ginny Vida to Members, Ethics Commission, re: Possible Amendment to the Political Reform Act

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

Commissioner Grant welcomed Commissioner Philip S. Ryan to the Commission. She also expressed her appreciation for the work done by his predecessor, former Commissioner Henri E. Norris. Commissioner Paul H. Melbostad joined the Chair in her comments.

Jeffrey Liebowitz asked the Commission to review the local sign ordinance and presented photographs of signs that he said illustrated a violation of the ordinance. He said that many campaigns are unaware of their obligations under the ordinance and are not complying with it. He said that the ordinance provides administrative procedures to correct violations, but those procedures are convoluted and impractical. After some discussion of the terms of the ordinance and authority of other City departments in its enforcement, the Commissioners asked the City Attorney to review the issues and report back to the Commission.

III. Discussion and possible approval of the minutes of the meeting of July 31, 2000.

Motion 00-9-11-56 (Melbostad/Grant). Moved, seconded and passed: That the minutes of the July 31, 2000, meeting be approved as drafted.

IV. Executive Director's Report.

Executive Director Ginny Vida reported the disposition of a complaint that had been filed against Terry Price for failure to register as a campaign consultant. A settlement agreement was reached with Mr. Price, who agreed to pay a $500 fine resolving the matter.

Commissioner Ryan expressed his concern that Ms. Vida and Commissioner Melbostad had campaigned for Proposition O, the November 2000 ballot measure placed on the ballot by the Commission, by making presentations to local organizations.

Commissioner Melbostad noted that presentations to organizations on Prop O were only made before groups that had invited Commission representatives to make an appearance to explain the measure. He assured Commissioner Ryan that he and Ms. Vida had appeared not to advocate for the adoption of Proposition O, but solely to explain the terms of a very complicated measure and to provide background for the measure's placement on the ballot.

Ms. Vida stated that her Executive Director's report clarifies that these presentations had not been solicited by Commission staff, and had been made by invitation only and were for informational

purposes. She also said that she had informed each organization that Commission representatives would come not for the purpose of advocating for the measure, but only to provide information and answer questions. She assured Commissioner Ryan that she and Commissioner Melbostad had not solicited endorsements.

Fred Ridel, representing Common Cause, complimented Commissioner Melbostad and Ms. Vida for their willingness to explain a very complicated measure in a manner described by everyone as very objective.

Commissioner Ryan said that he found troubling the power of the Commission - none of whose members are elected - to propose legislation and place measures on the ballot. Commissioner Melbostad said that the Commission had not taken that authority lightly. He noted that the voters had seen fit to grant power to the Commission to place measures on the ballot because of problems that incumbents might have in regulating their own activity. Commissioner Melbostad noted that the voters had approved last year's ballot measure proposed by the Commission by a vote of nearly 80 percent.

Commissioner Ryan asked whether a commissioner who disagrees with legislation proposed by the Commission could publicly express his opposition to it. Commissioner Grant said she believes such dissent is permitted.

Regarding Proposition O, Commissioner Grant explained that last spring, the Board of Supervisors had approved a resolution asking the Commission to study the issue of public financing of election campaigns and bring a proposal to the Board. She noted that during the Board's discussion of the Commission proposal, some supervisors had stated their view that this was a matter that should be decided by the voters.

Commissioner Ryan also addressed the recent legislation proposed by the Commission on misuse of City funds. He asked to review the draft legislation. Ms. Vida informed him that the draft proposal is available on the Commission's web site. Commissioner Melbostad informed Commissioner Ryan that the Commission had recommended the legislation to the Board based on the Commission's experience in addressing complaints alleging misuse of City resources.

Ms. Vida said the legislation provides a civil remedy for misuse of City resources. She cited as an example of such misuse a situation where a City employee uses departmental paper and a copy machine to run off campaign flyers. In this case, the City Attorney's authority would be limited to requiring the employee to repay the City for the actual value of City resources used; the City Attorney could not, in addition, impose a fine. Ms. Vida said current law does not provide a meaningful deterrent. She said that civil violations of this level are unlikely to be pursued by the District Attorney, who is occupied with serious criminal matters.

Commissioner Ryan asked about the empirical data that had been presented to the Commission on the seriousness of the problem. Ms. Vida said that misuse of City resources has been the subject of frequent complaints to the Commission. Commissioner Ryan stated that criminal sanctions already in place do not need to be supplemented by legislation that would seek to impose fines set by an administrative body. He said he would urge caution in proposing legislation when criminal remedies are already in place.

Commissioner Ryan complimented the Commission on the appearance and usefulness of its web site.

[*Note*: A transcript of the tape recording of the discussion from paragraphs 2 through 8 of this

section is appended to these minutes, per the request of Commissioner Ryan at the Commission meeting of October 16, 2000.]

V. Random selection of one 1999 campaign committee from Financial Activity Level One ($400,000 and above) to be audited in FY 00-01.

Ms. Vida explained that subsequent to an earlier random drawing of committees eligible for audit, staff discovered that one of the committees selected from Activity Level One had re-registered as a state committee and therefore is not subject to audit by the Commission. She said the Commission needs to select another committee from Activity Level One.

Anita Mayo, of Pillsbury, Madison & Sutro, said that the initial audit selection of Activity Level One was flawed, and urged the Commission to conduct a new audit selection of two committees from a pool of all committees in Activity Level One, including the local committee previously selected.

The Commission decided to proceed by drawing the name of only one committee to replace the single state committee previously selected for audit.

A random audit selection was conducted of the five remaining local committees eligible for audit in Activity Level One. The Committee to Save Laguna Honda Hospital, Yes on Prop A, No. 990604, was selected for audit.

VI. Discussion and possible action: The Ethics Commission has identified a variety of gaps and anomalies in the campaign reporting requirements imposed by the Political Reform Act. Proposal that staff report to the Ethics Commission about these gaps and anomalies, and propose changes to the Act that would address these problems. The Commission would then propose these changes to San Francisco's State Legislative Committee and to the Fair Political Practices Commission (FPPC).

Ms. Vida indicated that as the result of past Commission experience with campaign committee filings, staff had identified differences in the way committees are required to report campaign finance activity to influence San Francisco elections. She said that because of a gap in state law, some state committees that raised and spent large sums of money to influence last November's San Francisco election were not required to disclose contributions received until after the election was over. Such committees were also not required to file with the Ethics Commission and are therefore not subject to local electronic filing requirements. She said voters are being deprived of important information that they should have prior to an election about the source of funds raised and spent to influence San Francisco elections. Ms. Vida suggested that staff be authorized to confer with FPPC staff and prepare a proposal for the Ethics Commission's review.

Ms. Mayo stated that there are reasons behind the general applicability of statewide rules governing different kinds of committees. This statewide uniformity is important to non-local committees. She said that the information disclosed by state committees is available to the public at the Department of Elections; and electronic files are available through the Secretary of State. Therefore, all pertinent data is available to the public.

Ms. Vida said that the rules governing disclosure of the data in a local election should allow the public to go to the Commission's web site and find all relevant data there reported in a consistent fashion. She said accessibility to this data is seriously impaired if members of the public have to sort through hundreds of state filings on the Secretary of State's web site to access data from those committees that

raise and spend money to influence San Francisco elections.

Ms. Mayo expressed concern that abandoning distinctions between state, city, and county committees could lead various local jurisdictions around the state to impose particular requirements which would place an unreasonable burden on committees filing the reports.

Commissioner Ryan agreed with Ms. Mayo. He said that there is no reason to challenge the expertise of the FPPC. He said the rules formulated by the FPPC concerning campaign finance disclosure constitute the most substantial reform of the last 30 years. He stated that that if problems in FPPC rules were identified, the proper recourse would be to consult with the San Francisco legislative delegation headed by Senator John Burton.

Commissioner Melbostad said he believes that full disclosure is essential to the operation of campaign finance reform. He noted that the problem staff sought to address was nondisclosure of information due to the FPPC rules requiring different places and times of disclosure. He explained that that in the 1999 election, committees had not reported transactions before the elections because of their status as non-city committees. He also said that electronic disclosure was not required of all state committees and could not therefore be made available to the public as part of the Commission's successful web site publication program.

Mr. Lynn said that state law governing electronic filing requires only candidate committees with $50,000 in activity to file electronically. (State committees that make independent expenditures are not subject to State electronic filing requirements.) San Francisco's ordinance, on the other hand, requires electronic filing by candidates and non-candidate committees, including committees that make independent expenditures. In addition, San Francisco's filers are subject to a lower threshold of only $5,000 in annual activity.

In response to an inquiry from Commissioner Melbostad, Mr. Lynn confirmed that should a State committee file electronically with the Secretary of State, and if the Secretary of State were willing to share the file, the Ethics Commission's web site could accept and display the electronic file because the Commission's filing system uses the State format.

In response to concerns expressed by Commissioner Ryan about approaching the FPPC, Commissioner Melbostad and Ms. Vida said that the Chairman of the FPPC had expressed her willingness to discuss concerns raised by the Ethics Commission and to consider ways in which the FPPC filing requirements might be altered to address those concerns. Commissioner Ryan said he might wish to confer with FPPC members, not staff, about the issues raised by Ethics Commission staff.

Mr. Ridel thanked the staff for its proposal, which he said was excellent.

The Commission agreed that the staff should discuss the FPPC filing requirements with the FPPC staff on an informal basis and report back to the Commission, but the Commission decided to continue to a future agenda the staff's recommendation to draft a legislative proposal for Commission review.

VII. Closed session pursuant to Ralph Brown Act, Section 54957 and Sunshine Ordinance section 67.11, Personnel (appointment of Deputy Executive Director)

The Commission adjourned to closed session.

VIII. Discussion and Possible Action re: Disclosure of closed session pursuant to Ralph Brown Act

section 54957.1 and Sunshine Ordinance section 67.14

The Commission reconvened in open session. The following motion was approved:

> **Motion: (Melbostad/Kingsley) (APPROVED) The Ethics Commission finds that it is in the best interests of the public not to disclose its closed session deliberations re: personnel (appointment of a Deputy Executive Director).**

IX. Discussion and possible action re: Items for future agendas.

There was no discussion of items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

There was no public comment.

XI. Adjournment

The meeting was adjourned at 6:45 p.m.

Respectfully submitted,

_____

Joe Lynn

Campaign Finance Officer

> **The following is a transcript of a portion of the proceedings of the September 11, 2000 Ethics Commission meeting, as referenced in the minutes of the meeting at Section IV, paragraphs 2 through 8, and as discussed at the Ethics Commission meeting of October 16, 2000. At the request of Commissioner Philip Ryan, this transcript is hereby appended to the September 11, 2000 minutes.**

GRANT: Next item is the Executive Director's report. Ms. Vida, would you report - give us a report.

VIDA: [Ellipsis] The only other thing that I would like to add to the report is that the [ellipsis] approved and when we have a settlement that's been approved we can [ellipsis]. The Commission must announce publicly any stipulated order [ellipsis] accordingly. The Ethics Commission announces the settlement of a complaint initiated [ellipsis] alleged violation of the San Francisco Campaign Consultant Ordinance. The Commission alleged that Mr. Price failed to register as a campaign consultant and report his campaign consultant activity in a timely manner. The Ethics Commission has fined Terry Price $500 for violating Section 1.515 of the Campaign Consultant Ordinance. Mr. Price agreed to pay the fine, thereby resolving the complaint.

GRANT: [Ellipsis] All right, we'll now go to Item -

RYAN: Excuse me, are you referring to the written report?

VIDA: That's my report, yes.

GRANT: Yes.

RYAN: Yeah, I wanted to - you know, I'm the new kid on the block, so - if you'll bear with me a little bit. As I indicated previously, I am troubled by the purported legislative power of this commission, and when I was reading your report, and of course, you've already got a ballot initiative, or Proposition O, on the ballot, which was long before I got here, but one of the things that kind of disturbs me is when I read in a report that our Executive Director and a Commission member are, in effect, it seems to me, out campaigning on behalf of this proposition, and I see that you've gone to the Republican County Central Committee and the National Women's Political Caucus and met with District Attorney Hallinan, although that probably is not a real issue. And I really have problems with that. Perhaps it's because of the name of this commission, which if - I think was -would be more accurately called the Fair Political Practices Commission. And "Ethics Commission" seems to have almost liturgical significance and I think it's - to have a commission charged with regulating the ethics of politicians and campaigns and movements within the body politic while it is a partisan and gets to use that wonderful, powerful word "ethics," as it attempts to convince political groups to support the legislation, I really have some trouble. and I think that's probably, if not - it's not wise, I think. It creates a situation in which a commission which by definition and intent is supposed to be non-partisan becomes a partisan. And while it is obviously the case that legislators, Board of Supervisor members who propose ballot initiatives and whatnot will actively engage themselves in the electoral process, it seems to me that we lose some of our detachment, if you will, we're almost a quasi-judicial body, and I think it's kind of unseemly for judges to be out on the campaign trail or have their staff out on the campaign trail.

MELBOSTAD: Can I interrupt you?

RYAN: Sure.

MELBOSTAD: Where have you gotten this information that we have been actively out engaging in a campaign?

RYAN: I see here that, according to this report, that the Executive Director indicates that she appeared before the Republican County Central Committee, and that there was an appearance before the National Women's Political Caucus. I believe there -

MELBOSTAD: I think you need to be clear that we were asked - [ellipsis]

VIDA: [Ellipsis] not to advocate in favor of it, for or against it, and maybe that isn't clear in my report, but I tried to include the fact that these were - [ellipsis] that these appearances were at the invitation of these organizations and [ellipsis] the measure, I didn't say I advocated for it, so [ellipsis] and if you think there's an indication there that [ellipsis] advocate.

RYAN: I also -- yeah, I just want you to understand where I'm coming from, where I probably will be coming from for some time, because I also saw a series of endorsements from various political groups and some opposition to the proposition and - I don't -- did we have anything to do with that?

[Crosstalk]

VIDA: No, we didn't solicit any endorsements. I did - [ellipsis]

RYAN: And the other thing is maybe more of a hypothetical question, since I wasn't here when this proposition was proposed, but suppose you had a 4-1 vote by the Commission to propose - let's just use this as an example - and now you have it on the ballot, and people invite the Ethics Commission to explain, presumably in a non-partisan way, this proposition. Does that mean that the dissenting vote gets to go to that meeting as well? See what I'm getting at? In other words, you could -- the problem is - the heart of the problem is the exercise of the legislative power -

GRANT: If they invited the person, they could certainly come. Of course, it wasn't a 4-1 vote -

RYAN: No, I said that hypothetically -

VIDA: Certainly, we're not going to just send people out - [ellipsis] I think that would be up to the chair - [ellipsis]

RYAN: Well, I do think that if we use the standard, of - what seems to be the prevailing standard in modern contemporary [ellipsis] appearances, I think it's a troubling appearance when staff or Commission members appear [ellipsis] in a political campaign speaking about an initiative that they authored and got on the ballot. I mean, I don't know how you can expect anyone hearing us talk and not think that we're in favor of that proposition and I think that's a troubling thing.

MELBOSTAD: Well, I want to give the opposing point of view, which is that when I was appointed to this commission [ellipsis], unfortunately, this commission was not taken very seriously and had a reputation for not doing much of anything, and I think there's a very [ellipsis]. You're in effect asking incumbent elected officials to regulate themselves and who do have a vested interest, whereas we don't as Ethics Commissioners because we're not running for election ourselves and do not have to engage in fundraising and [ellipsis]. And I am very proud of the fact that this commission has placed [ellipsis] 79.6% of the vote, and I think [ellipsis] correct information about why we put something on the ballot, and [ellipsis] this case, the Board of Supervisors actually asked this Commission to develop [ellipsis].

GRANT: [Ellipsis] our recommendations to the Board of Supervisors. The Board of Supervisors had a number of questions about it and a number of [ellipsis] indicated, and which we made. And as I also recall in the meeting with the Board of Supervisors, they said that one of the reasons they were not passing it was that it should go to the voters.

RYAN: Doesn't that seem to inherently contradict the assertion that elected legislators are unable to regulate themselves and if in fact the Board of Supervisors comes to the Commission and says -

GRANT: Well, that was one of their reasons why they didn't want to pass it is because it had to do with the election of the Board of Supervisors [ellipsis]. They felt that they had a conflict and they said that it should go - that it should be something that should be decided by the voters.

Back to Minutes

© 2000 City & County of San Francisco
11/16/2000 10:26:43

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

IU
SF
90
1
15/00
Special

SAN FRANCISCO ETHICS COMMISSION AGENDA

DOCUMENTS DEP
SEP 12 2000
SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

Friday, September 15, 3:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. **Call to order and roll call**

II. **Possible closed session pursuant to Ralph Brown Act, Section 54957 and Sunshine Ordinance section 67.11, Personnel (appointment of Deputy Executive Director)**

III. **Discussion and Possible Action re: Disclosure of closed session pursuant to Ralph Brown Act section 54957.1 and Sunshine Ordinance section 67.14**

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: personnel (appointment of Deputy Executive Director).

IV. **Adjournment**

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\091500.doc

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

90
1
0/10/00
Canceled

SAN FRANCISCO ETHICS COMMISSION

NOTICE OF CANCELLATION OF MEETING

THE ETHICS COMMISSION'S REGULAR MONTHLY MEETING SCHEDULED FOR

Tuesday, October 10, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

HAS BEEN CANCELLED.

DOCUMENTS DEPT

OCT - 4 2000

SAN FRANCISCO
PUBLIC LIBRARY

THE ETHICS COMMISSION WILL HOLD A

SPECIAL MEETING ON

MONDAY, OCTOBER 16, 5:00 P.M., ROOM 408 CITY HALL

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

(Please turn over for page 2)

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

10

90
1
10/16/00
Special

SAN FRANCISCO ETHICS COMMISSION AGENDA FOR SPECIAL MEETING*

Monday, October 16, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

***Please note change in date of meeting.**

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of September 11 and September 15, 2000.

IV. Executive Director's report.

1 Public policy program

2. Advice and opinions

3. Investigation and enforcement program

4. Report on volume of calls received via the Whistleblower Hotline

5. Campaign finance disclosure program

6. Campaign finance audit program

7. Lobbyist program

8. Campaign consultant program

9. Statements of Economic Interests

10. Declarations received re: amended Sunshine Ordinance

11. Preparation of FY 99-00 annual report

12. New additions to staff.

DOCUMENTS DEPT

OCT - 4 2000

SAN FRANCISCO
PUBLIC LIBRARY

V. Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2001.

VI. Discussion and possible action: The Ethics Commission staff has identified a variety of gaps and anomalies in the campaign reporting requirements imposed by the Political Reform Act. Staff will report to the Ethics Commission about a meeting held on September 28 with the Chairman of the Fair Political Practices Commission to discuss

(Please turn over for page 2)

these gaps and anomalies. The Commission may wish to consider whether to direct staff to propose changes to the Act that would address these problems. The Commission would then propose these changes to San Francisco's State Legislation Committee and to the Fair Political Practices Commission (FPPC). A staff report on this agenda item will be available on Thursday, October 12, 2000.

VII. Discussion re: Staff report on letter to City of Sacramento proposing terms of an agreement authorizing Sacramento to purchase a license from San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees. A copy of the letter to Sacramento is available from the Ethics Commission office.

VIII. Discussion and possible action: Review and discussion of procedures for appointment of candidates to Ethics Commission staff positions.

IX. Discussion and possible action re: Items for future agendas.

X. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XI. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\101600.doc

cityspan

City & County of San Francisco

Ethics Commission

(Approved 11/13/00)

Minutes of the

San Francisco Ethics Commission Meeting

City Hall

One Dr. Carlton B. Goodlett Place, Room 408

San Francisco

October 16, 2000

I. Call to order and roll call.

Chairperson Isabella H. Grant called the meeting to order at 5:05 p.m.

COMMISSION MEMBERS PRESENT: Isabella H. Grant, Chairperson; Robert D. Dockendorff, Commissioner; Paul H. Melbostad, Commissioner; Carol M. Kingsley, Commissioner; Philip Ryan, Commissioner.

STAFF PRESENT: Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Frank Lester, Staff Assistant.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney; Chad Jacobs, Special Assistant.

OTHERS PRESENT: Anita Mayo, Pillsbury, Madison and Sutro; Mike Mooney, Common Cause; Fred Ridel, Common Cause.

MATERIALS DISTRIBUTED:

S.F. Ethics Commission Agenda, October 16, 2000

Minutes of S.F. Ethics Commission meeting, June 12, 2000

Minutes of S.F. Ethics Commission meeting, July 31, 2000

Draft minutes of S.F. Ethics Commission meeting, September 11, 2000

DOCUMENTS DEPT
DEC 2 0 2001
SAN FRANCISCO
PUBLIC LIBRARY

Draft minutes of S.F. Ethics Commission meeting, September 15, 2000

Executive Director's Report to the Ethics Commission, October 16, 2000

Memorandum from Ginny Vida to Ethics Commissioners, October 12, 2000

Correspondence from Ginny Vida to Aaron B. Chong, City of Sacramento, October 4, 2000

Opinion piece, S.F. Bay Guardian, "Cleaning up City Politics," October 4, 2000

News article, S.F. Examiner, "Prop. K Donations Outstrip Those to Competing Prop. L," October 7, 2000

News summary, S.F. Chronicle, "San Francisco Boardwatch," September 19, 2000

Letter to the editor, S.F. Chronicle, "Yes on Prop. O," October 12, 2000

Endorsement, S.F. Bay Guardian, Proposition O, October 4, 2000

News article, S.F. Examiner, "Supervisors Yee, Teng Lead in Campaign Fund Raising," October 6, 2000

News article, S.F. Chronicle, "Prop. K Coffers Flush with Cash," October 7, 2000

News article, S.F. Chronicle, "Incumbents Hold Cash Advantage," October 6, 2000

The Chair announced that Commissioner Robert Dockendorff is concluding his service with the Commission. The commissioners and Ms. Vida thanked Commissioner Dockendorff for his dedication and hard work on the Commission.

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

III. Discussion and possible approval of the minutes of the meeting of September 11 and September 15, 2000.

Commissioner Ryan requested that changes be made to the minutes of September 11, 2000, Section IV. He referred specifically to the discussion about Proposition O in which he, Executive Director Ginny Vida and Commissioner Melbostad participated. He stated that the seven paragraphs of the minutes of September 11 meeting referred to this discussion, beginning with the sentence, "Commissioner Ryan expressed his concern that Ms. Vida and Commissioner Melbostad had campaigned for Proposition O, the November 2000 ballot measure placed on the ballot by the Commission, by making presentations to local organizations."

Commission Ryan then voiced objection to an article by Rachel Gordon in the September 21, 2000 San Francisco Examiner, under the headline "New Ethics Panelist on Attack." He stated that the article misrepresented and took out of context statements that he made at the meeting, specifically statements made during the Prop O discussion. He noted a portion of the article which quoted him as saying, "I think to have a commission charged with regulating the ethics of politicians and campaigns and

movements within the body politic, while it is partisan and gets to use the wonderful, powerful word ethics ... is not wise." He stated that the ellipsis left readers of the Examiner with the wrong impression of what he had actually said and how he had said it. He stated that misrepresentations in the article amounted to changing his words to conform to a pre-existing editorial bias on the part of the Examiner.

Commissioner Ryan requested that a transcript of the portion of the meeting detailing this discussion be attached to the September 11 minutes before they are approved, so that the minutes will include a complete and true record. It was agreed that a transcript would be prepared and attached.

Commissioner Melbostad stated that when he had been interviewed by Ms. Gordon, he had urged her to obtain from the Commission office a tape recording of what was actually said at the meeting. Commissioner Melbostad said that he and Ms. Vida had not engaged in partisan campaigning on behalf of Proposition O. He said that it is within the Commission's mandate to provide the public with accurate information about the history and details of legislation proposed. Commissioner Melbostad said that everything that he and Ms. Vida had done with respect to Prop O falls well within those parameters.

Motion (Ryan/Dockendorff) Moved, seconded and unanimously passed: That the minutes of the September 11, 2000 meeting be supplemented to include a transcript of the dialogue referenced in Section 4, paragraphs two through eight.

Anita Mayo called the Commission's attention to Section VI of the September 11, 2000 minutes, which she said incorrectly represented electronic filing obligations of state committees that make independent expenditures in San Francisco elections. She noted that according to Government Code §84605(e), any general purpose committee receiving cumulative contributions or making expenditures of $50,000 or more to support or oppose state candidates or state ballot measures are required to file electronically. She said this includes state committees that make independent expenditures in San Francisco elections. Ms. Vida confirmed that Ms. Mayo's representation is correct.0

Motion (Kingsley/Ryan) Moved, seconded and unanimously passed: That the minutes of the September 15, 2000 meeting be approved as drafted.

IV. Executive Director's Report.

Executive Director Ginny Vida referred the Commission to her report in the agenda packet. She reported that the Commission had issued a press release today announcing that the voluntary spending limit had been lifted for supervisorial candidates in Districts 1, 5, 10, and 11, bringing the total of districts in which limits had been lifted to 6. (The limits had previously been lifted in Districts 3 and 7.) The spending limits were lifted in these districts because of an automatic trigger mechanism in the Campaign Finance Reform Ordinance providing for voluntary limits to be removed if independent expenditures in support of, or in opposition to, a candidate, reach a threshold of 25percent of the $75,000 spending limit (or $18,750).

Commissioner Melbostad stated that he had noticed that some of the candidates who had previously accepted the spending limit had, in fact, raised slightly more than $75,000. Ms. Vida pointed out that the limit applies only to expenditures and not to contributions. She said that candidates who accept the limit may raise more than $75,000 but may not spend more than that amount.

Commissioner Ryan expressed approval of the press release issued in regard to lifting the limits. He asked Ms. Vida whether she thought it was part of the Commission's mission to suggest voluntary steps for campaigns to follow to assure a fair and proper electoral process, and not just to enforce laws and

regulations. Ms. Vida said that education is within the Commission's mandates.

Commissioner Ryan next expressed concern that Ms. Vida had sent a letter on October 9, 2000, to the editorial page of the Examiner, on Commission letterhead, with his name on the masthead. The letter was in response to an Examiner editorial ("O No," September 29, 2000) which, according to Ms. Vida's letter in response, "seriously overstate[d]" the annual cost to taxpayers of implementing Prop O. Commissioner Ryan said he was troubled by the Commission's "descend[ing] into the partisan fray" by "answering the editorial of someone who's against the proposition as though we are the proponents of the proposition."

Commissioner Melbostad responded that Ms. Vida's letter was intended only to correct a factual inaccuracy in the editorial, not to argue a pro or con position.

Ms. Vida advised that she had written the letter pursuant to the Commission's bylaws (Article XI, Section 2), which provide that "[w]henever the Commission learns that a view, position or opinion of the Ethics Commission as a whole has been misinterpreted or misrepresented in the media, at a hearing, or in a public forum, the Commission, through the Chair or the Chair's appointed representative, shall make every reasonable effort to clarify the Commission's true position as soon as practicable." She stated that she had discussed the letter with Chairperson Grant before sending it. Commissioner Ryan stated that he was pleased to learn that the letter had been approved by the Chair.

Commissioner Ryan expressed puzzlement at why the Whistleblower Report attached to the Executive director's report cumulates the complaints received instead of presenting them in an annualized format. He queried whether the cumulation of complaints dating to 1997 "create[s] an impression that there's a good deal more naughtiness going on in government than is the case." Commissioner Melbostad stated that his concern was exactly the reverse - that with anything less than a complete accounting of the complaints that the Commission had investigated, the public perception would be that "we're sweeping massive corruption under the rug." Ms. Vida stated that it would not be difficult for staff to prepare a year-by-year summary of the complaints investigated, if Commissioner Ryan preferred such a method. Commissioner Ryan said that that approach would be acceptable.

V. Nomination and election of Commission Chairperson and Vice-Chairperson to one-year terms ending July 1, 2001.

The Commissioners and Ms. Vida thanked Chairperson Grant for her dedication and service to the Commission in her role as Chairperson.

Commissioner Melbostad nominated Carol Kingsley for the office of Chairperson. The nomination was seconded by Commissioner Ryan.

Commissioner Dockendorff nominated Paul Melbostad for the office of Vice-Chairperson. The nomination was seconded by Commissioner Kingsley.

Motion (Melbostad/Ryan) Moved, seconded and passed: That Commissioner Carol Kingsley be appointed to a one-year term as Chairperson of the San Francisco Ethics Commission.

Motion (Dockendorff/Kingsley) Moved, seconded and passed: That Commissioner Paul Melbostad be appointed to a one-year term as Chairperson of the San Francisco Ethics Commission.

VI. Discussion and possible action re: Gaps and anomalies identified by Commission staff in the

campaign reporting requirements imposed by the Political Reform Act.

Ms. Vida reported that she and other staff had met with Karen Getman, the Chairman of the FPPC, and Carla Wardlow, the Chief of the FPPC's Technical Assistance Division, on September 28 to discuss gaps and anomalies in the campaign reporting requirements imposed by the Political Reform Act (PRA).

In particular, Ms. Vida said, staff brought to the FPPC's attention that currently under the PRA, in odd-numbered election years, committees making independent expenditures do not have to report contributions until after an election. She said voters are thus deprived of timely information about the source of campaign funds.

Commissioner Ryan said that he was concerned that staff was suggesting changes in state law, and more broadly, that the line between Commission and staff responsibility for initiating and implementing policy had been blurred.

Commissioner Melbostad said that the issue that staff raised with the FPPC came as a result of extensive meetings in which the commissioners had discussions about the anomalies in the state filing requirements. He said that even vocal opponents of Proposition O had said that they would support full disclosure. Commissioner Ryan said that he would like to see the record of those discussions. He expressed concern that he was not being included in the loop about proposed legislative changes being propagated by staff.

VII. Discussion re: Staff report on letter City of Sacramento proposing terms of agreement authorizing Sacramento to purchase a license from Sacramento to adopt San Francisco's Online Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees.

Ms. Vida presented a summary of correspondence and meetings with representatives from the City of Sacramento about the terms of the software licensing agreement for Sacramento to use and adopt San Francisco's Online Filing Program for campaign reports. She said that informal discussions had taken place among the Department of Telecommunications and Information Services, the Mayor's Budget Office, Ethics Commissions staff, and representatives from Sacramento. Representatives from Sacramento had also visited the Commission office on October 5 to observe the acceptance and processing of incoming electronic filings and to see how the staff provides assistance to filers with problems. Ms. Vida said that the Sacramento staff had expressed to her their excitement about the potential of the system. She said that 80 percent of the filers using the system during the first pre-election cycle encountered no problems of any kind with the system.

Ms. Vida said that the cost of developing the OLFS program was $76,000, including $66,000 for program development and an additional $10,000 for installation of the new statewide CAL format. Under the terms of the tentative agreement, the City of San Francisco would receive about $25,000 for the license fee. Any technical support beyond an initial 10 hours of free support from DTIS would be billed at $100 an hour, and any added support from the Ethics Commission's filing officer staff would be billed at $50 an hour, including travel time.

Commissioner Ryan asked whether the licensing agreement was a flat-fee or renewable-fee agreement. Ms. Vida said that the license was a flat fee for use in perpetuity, with the condition that Sacramento would not sell or license the software to any other jurisdiction. Ms. Vida added that the terms of the technical assistance component of the agreement would be re-negotiated after one year.

VIII. Discussion and possible action: Review and discussion of procedures for appointment of candidates to Ethics Commission staff positions.

Commissioner Ryan stated that he was concerned with the "process" that had led up to the appointment of the Commission's new Deputy Executive Director. He stated that his reading of the charter was that the Executive Director, while having the power to appoint other staff not designated in the charter, has no authority to appoint Deputy Executive Directors, investigators, auditors, or any other positions described in the Charter as serving at the pleasure of the Commission. He said that the power of the Commission to interview, select, and appoint these positions was non-delegable and that it was vital for the Commissioners to maintain control over the process of filling the positions so that appointees understand that they are being responsive to the Commission, as opposed to being responsive to someone they think appointed them.

Commissioner Melbostad defended the Commission's hiring practices.

IX. Discussion and possible action re: Items for future agendas.

Commissioner Ryan stated that he would like to place for consideration on a future agenda an amendment to the section of the bylaws (Article V, Section 1) transferring the role of parliamentarian from the Executive Director to the Chair of the Commission or to an appointee from among the members of the Commission selected by the Chairperson.

Commissioner Dockendorff stated that he wished to place for consideration on a future agenda the making public of a memo from the City Attorney's office regarding campaign signs.

Ms. Vida suggested that the Executive Director's performance evaluation should be conducted in the near future. Commissioner Ryan queried whether similar evaluations should be conducted for investigators and auditors. Chairperson Grant said that such evaluations had not been conducted by the Commissioners in the past, but that if Commissioner Ryan wished to place the item for future consideration, he could do so.

Commissioner Melbostad asked that the procedural issues raised by Commissioner Ryan not defer the very important efforts being pursued by staff and the City Attorney's office to recommend amendments to the conflict of interest rules of City Departments within the Commission's purview and to deal with investigating and enforcing laws and regulations on complaints that are pending.

Commission Ryan said it was inconceivable to him that a request to have performance evaluations of the staff covered by the charter could in any way interfere with Commission projects.

X. Public comment on matters appearing on not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

Mike Mooney of Common Cause spoke of the strong need in San Francisco politics for the work being done by the Commission. He said the Commission's role of educating and correcting inaccuracies are proper and logical. He expressed concern that Commissioner Ryan seemed to be focusing on process and procedural issues at the expense of the main goals of the Commission. He characterized Commissioner Ryan's activity as "monkey-wrenching" and urged a proper balance between internal Commission procedures and the Commission's primary role of cleaning up City politics and elections.

Fred Ridel of Common Cause said he believes it essential that the Ethics Commission be a proactive and

assertive body. He also expressed concern that the Commission seemed to be getting bogged down in personnel and operational details that could hamper or chill its operations.

Commissioner Ryan questioned the two speakers as to whether they thought, given their view of the Commission's role in monitoring political corruption, there was any role for the Commission in pursuing and exposing specific candidate deceptions. He mentioned a candidate in the current election who, according to a press report, had distributed campaign literature containing false endorsements. He asked the speakers whether the Commission's role might also include asking the candidate to correct his mistake or even to bring the candidate before the Commission to acknowledge his error.

Mr. Ridel said that while he thought the mandate of the Commission was "quite broad," he believed that activities of the sort Commissioner Ryan was proposing would be "way beyond" anything in which the Commission currently engages. He said that he did not understand why Commissioner Ryan was proposing expansions of the Commission's current activity while at the same time proposing to restrict the activity of the Executive Director.

Commissioner Ryan said that the Commission and the Executive Director are not synonymous. He added that he was not speaking about altering or transforming the complaint process. He said he was speaking about possible mechanisms for dealing outside the complaint apparatus to address campaign deceptions or other errors.

Mr. Mooney stated that he thought the Commission was doing the things it needs to be doing to achieve what the public put it in existence to perform. He said that he had talked to many members of the public who were concerned about the amount of soft money flowing into campaigns and about whether supervisorial candidates were sticking to the campaign spending limits.

Commissioner Melbostad said that it was clearly inappropriate for the Commission to comment in any way on the details of any specific complaint or any specific potential complaint, especially publicly. He said the only circumstance he could imagine in which the Commission would be appropriately involved in such a matter, other than through the regular complaint process, would be if the media or the public asked a question as to whether or how the Commission enforced or regulated false endorsements.

XI. Adjournment.

Motion (Melbostad/Dockendorff) Moved, seconded and unanimously passed: That the meeting be adjourned.

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

_____

Frank Martinez Lester

Staff Assistant

Back to

© 2000 City & County of San Francisco

11/16/2000 10:26:44

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

SAN FRANCISCO ETHICS COMMISSION AGENDA FOR REGULAR MEETING

Monday, November 13, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meetings of September 11 and October 24, 2000.

IV. Executive Director's report.

1. Budget
2. Public policy program
3. Advice and opinions
4. Investigation and enforcement program
5. Report on volume of calls received via the Whistleblower Hotline
6. Campaign finance disclosure program
7. Campaign finance audit program
8. Lobbyist program
9. Campaign consultant program
10. Statements of Economic Interests
11. Declarations received re: amended Sunshine Ordinance
12. Draft FY 99-00 annual report

DOCUMENTS DEPT
NOV - 3 2000
SAN FRANCISCO
PUBLIC LIBRARY

V. Discussion and possible action re: Approval of proposed technical changes in the Bylaws. (See attached summary of current and proposed language for the Bylaws.)

Motion: That when the Commission occupies its new space at 30 Van Ness Avenue in the year 2001, Article I, Section 2 be amended to reflect the new address as 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, and the Commission's new telephone number, if it is changed.

Motion: That the first sentence of Article IV, Section 3, be amended to read as follows: "The Chairperson shall preside at all meetings of the Commission and is an ex-officio non-

(Please turn over for page 2)

voting member of all standing committees except a nomination committee, if one is convened."

Motion: That the second sentence of Article VII, Section 4, be amended to read as follows: "Meetings shall be held at City Hall, One Dr. Carlton B. Goodlett Place, Room 408, in the City of San Francisco."

VI. Discussion and possible action re: In the event that Proposition O, the ballot initiative proposing public financing of election campaigns and campaign contribution limits, is approved by the voters on November 7, the Commission will consider the effective date of the Ordinance and implementation of the Ordinance. In the event that Proposition O is not approved, the Commission will consider whether to pursue alternative campaign finance proposals.

VII. Discussion and possible action re: In the event that Proposition J, concerning City contractor contributions, is approved by San Francisco voters on November 7, the Commission will consider possible effective date of the Ordinance and implementation of the Ordinance.

VIII. Discussion and possible action re: Revised proposal to City of Sacramento regarding terms of an agreement authorizing Sacramento to purchase a license from San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees. A copy of the revised proposal to Sacramento will be available from the Ethics Commission office on Thursday, November 9.

IX. Discussion and possible action re: Proposal that the Chairperson appoint members to serve on a Personnel Committee and a Finance Committee.

X. Discussion and possible action re: Items for future agendas.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XII. Possible closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Pending Litigation
Number of possible cases: 2

XIII. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.14 on whether to disclose action taken or discussions held in closed session.

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: pending litigation.

XIV. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4869. Office telephone: (415) 554-7724; Fax: (415) 554-5163; E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

90

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\111300.doc

90

Current and Proposed Language:
Bylaws of the San Francisco Ethics Commission

Article I, Section 2 - Office

Current language:
1390 Market Street, Suite 801
City and County of San Francisco, California 94102
Or such address where the Commission may be located from time to time
Telephone Number: (415) 554-9510

Proposed language:
30 Van Ness Avenue, Suite 3900
City and County of San Francisco, California 94102
Telephone Number: *(indicate new number if it is changed)*

Article IV, Section 3: Chairperson

Current language (first sentence):
The Chairperson shall preside at all meetings of the Commission and is an ex-officio non voting member of all standing committees except the Nomination Committee.

Proposed language:
The Chairperson shall preside at all meetings of the Commission and is an ex-officio non voting member of all standing committees except a nomination committee, if one is convened.

Article VII, Section 4 – Meetings

Current language (second sentence)
Meetings shall be held in the mezzanine Conference Room of 1390 Market Street in the City of San Francisco.

Proposed language:
Meetings shall be held at City Hall, One Dr. Carlton B. Goodlett Place, Room 408, in the City of San Francisco.

DOCUMENTS DEPT

DEC 2 0 2001

SAN FRANCISCO
PUBLIC LIBRARY

F
90
2
/13/00

City & County of San Francisco

Ethics Commission

(Approved 11/21/00)

MINUTES OF THE

MEETING OF THE SAN FRANCISCO ETHICS COMMISSION

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

Monday, November 13, 5:00 p.m.

I. Call to order and roll call

Chairperson Carol Kingsley called the meeting to order at 5:08 p.m.

COMMISION MEMBERS PRESENT: Carol M. Kingsley, chairperson; Paul H Melbostad, Vice Chairperson; Isabella H. Grant, commissioner, Sharyn Saslafsky, Commissioner, Commissioner Philip H. Ryan was excused.

STAFF PRESENT: Ginny Vida, Executive Director, Mabel Ng, Deputy Executive Director, Katherine Havener, Ethics Investigator/Legal Analyst; Oliver Luby, Law Clerk.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney; Chad Jacobs, Special Assistant.

OTHERS PRESENT: Bob Boileau, San Francisco labor Council, Jim Reid; Anita Mayo, Pilsbury, Madison & Sutro; Fred Ridel, San Francisco Common Cause.

MATERIALS DISTRIBUTED:

S.F. Ethics Commission agenda, November 13, 2000

Revised draft minutes of the S.F. Ethics Commission meeting of September11,2000, including partial transcript of the September 11, 2000 meeting.

Draft minutes of the S.F. Ethics Commission Meeting of October 16, 2000

Executive Director's Report for the Meeting of November 13, 2000

Memorandum dated November 13, 2000, "SF Ethics Commission Announces That the Voluntary spending Limit Has Been Lifted for Board Of Supervisors Candidates in District Eight"

Press Release Dated November 8, 2000, SF Ethics Commission hails Passage Of Proposition O"

November 3, 2000 Letter from Ginny Vida to Aaron B. Chong, City Of Sacramento

October 4, 2000 Letter from Ginny Vida to Aaron B. chong, City of Sacramento

Editorial, S.F. Chronicle, October 27, 2000, "O-Campaign Finance Reform Yes"

News Article, S.F. Chronicle, October 27, 2000, "developers Give $2 Million Plus To Defeat Prop. L; Backers, in contrast, Have Tiny Fund"

News Article, S.F. Examiner, October 28, 2000, "Soft Money flows in the City"

News Article, Associated Press, October 28, 2000, "San Francisco Growth Battle Could Break Soft Money Record"

News Article, S.F. Chronicle, October 30, 2000, "High Stakes For Players In Convoluted S.F. Elections"

News Article, S.F. Bay Guardian November 1, 2000, "S.F.'s Prop. O would Limit Soft Money"

Guest Opinion, S.F. Examiner, November 1, 2000 "Prop O Is Real Reform For S.F."

News Article, S.F. Bay Guardian, November 1, 2000, "Face Time: Which Supervisors Spend the Most Time Being Lobbied?"

News Article, S.F. Bay Guardian, November 1, 2000, "Follow the Money: The Real Estate Industry's Top 10 Candidates For Supervisor

News Article, S.F. Chronicle, November 2, 2000, "San Francisco Developers Bolster Anti-Prop. L Campaign"

News Article, S.F. Chronicle, November 2, 2000, "S.F. Campaign Measure Could Aid Dark Horses: One of Two Election Reform Propositions"

News Article, S.F. Examiner, November 2, 2000, "City Charter Muddles Campaign for Prop. O"

News Article, S.F. Examiner, November 6, 2000, "Punks, Politicos in Last-Minute Campaign Blitz"

News Article, S. F. Chronicle, November 7, 2000, "Spending Limits Canceled in District 8 Supervisor Race"

News Article, S.F. Examiner, November 8, 2000, "Big Support for Libraries, Kids, Campaign Spending Limits, Hunter's Point Cleanup"

News Article, S.F. Chronicle, November 8, 2000, "Props. J And O Ahead in S.F. - Election Reform Promise"

News Article, S.F. Chronicle November 8, 2000, "Runoff for Most Supervisor Spots: Newsom, Ammiano Easily Win Re-Election"

News Article, S.F. Chronicle, November 9, 2000, "S.F. Measure To Fund Supervisors' Races May Cut Reliance on Big Money"

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiciton of the Ethics Commission.

Commissioner Kingsley welcomed Commissioner Sharyn Saslafsky to the Commission. She also expressed her appreciation to Commissioner Isabella Grant for her service as Chairperson.

III. Discussion and possible approval of the minutes of the meetings of September 11 and October 16, 2000.

MOTION 00-11-13-63 (Grant/Melbostad). Moved, seconded and unanimously passed: that the minutes and the partial transcript of the September 11, 2000 meeting be approved as revised.

Executive Director Ginny Vida stated that page two of the minutes to the October 16, 2000 meeting had been revised to read as follows:

> Anita Mayo called the Commission's attention to Section VI of the September 11, 2000 minutes, which she said incorrectly represented electronic filing obligations of state committees that make independent expenditures in San Francisco elections. She noted that according to Government Code §84605(e), any general purpose committees receiving cumulative contributions or making expenditures of $50,000 or more to support or oppose state candidates or state ballot measures are required to file electronically. She said this includes state committees that make independent expenditures in San Francisco elections. Ms. Vida confirmed that Ms. Mayo's representation is correct.

Commissioner Melbostad asked that Section IX of the minutes from the meeting of October, 16, 2000 be amended as follows (deleted text in ~~strikethrough~~; new text underlined):

> Commissioner Melbostad asked that the procedural issues raised by Commissioner Ryan not defer the very important efforts being pursued by staff and the City Attorney's office to recommend amendments to the conflict of interest rules of City Departments within the Commission's purview and to deal with investigating and enforcing laws and regulations on complaints that are pending laws in our jurisdiction so that the Commission can take action on certain types of improper activities brought to our attention via complaints but that currently do not constitute a technical violation of the law, and other items on our public policy priority list.

MOTION 00-11-13-64 (Melbostad/Grant). Moved, seconded and unanimously passed: That the revised minutes of the October 16, 2000 meeting be approved as amended by Commissioner Melbostad.

III. Executive Director's report

Ms. Vida referred the Commission to her report in the agenda packet.

IV. Discussion and possible action re: Approval of proposed technical changes in the Bylaws.

MOTION 00-11-13-65 (Melbostad/Grant). Moved, seconded and unanimously passed: That when the Commission occupies its new space at 30 Van Ness Avenue in the year 2001, Article I, Section 2 be amended to reflect the new address as 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, and the Commission's new Telephone number , if it is changed

MOTION00-11-13-66 (Grant/Saslafsky). Moved, seconded and unanimously passed: That the first sentence of Article IV, Section 3, be amended to read as follows: "The Chairperson shall preside at all meetings of the Commission and is an ex-offcio non-voting member of all standing committees except a nomination committee, if one is convened.

MOTION 00-11-13-67 (Melbostad/Saslafsky). Moved, seconded and unanimously passed: That the second sentence of Article VII, Section 4, be amended to read as follows: "Meetings shall be held at City Hall, One Dr. Carlton B. Goodlett Place, Room 408, in the City of San Francisco."

V. Discussion and possible action re: Implementation of Proposition O

Ms. Vida informed the Commission that Proposition O passed by 53.4 percent. She stated that the Commission needs to determine when Proposition O should go into effect. She directed the Commission to her memorandum dated November 13, 2000 regarding implementation of Propositions O and J, wherein she recommends that both Propositions O and J not be implemented during the runoff election. She stated that because committees are already raising money for the December runoff election, it would cause confusion to implement Proposition O prior to the runoff.

Commissioner Melbostad stated that he agreed with Ms. Vida's proposal that Proposition O not be implemented during the runoff period. He stated that during the Commission's hearings and discussion on Proposition O, it was never suggested that the measure be implemented prior to the December runoff election.

There was some discussion as to whether the measure should be implemented "commencing on " January 1, 2001, or "not earlier than " January 1, 2001.

Bob Boileau of the San Francisco Labor Council asked whether contributions to labor organizations will be limited by Proposition O to $500. Ms. Vida suggested that Mr. Boileau pose his question in writing to the Commission so that staff could issue a formal opinion. Mr. Boileau also stated that he believed that both ordinances would be effective whenever the law said they were effective.

Fred Ridel of San Francisco Common Cause stated that implementation after the runoff election was reasonable. He stated that staff should develop guidelines for committees regarding Proposition O as soon as possible.

MOTION 00-11-13-68 (Melbostad/Grant). Moved, seconded and unanimously passed: that Propositions O and J be implemented commencing o January 1, 2001.

MOTION 00-11-13-69 (Melbostad/Grant). Moved, seconded and unanimously passed: That the staff be directed to promptly develop regulations and guidelines for implementation of Proposition O.

Bob Boileau of the San Francisco Labor Council asked the the Labor Council be give the opportunity to provide input before the Commission implements regulations.

Ms. Vida stated that staff will begin to prepare a budget for administering Propositions O and J. She stated that she plans to make a budget request for the FY 01-02 budget allowing the Commission sufficient funds to administer the Ordinance and to provide grants to candidates in the 2002 supervisorial election. She indicated that staff would need to review Proposition J" fiscal implications. She assured the Commission that staff is fully committed to working with the Commission to prepare to

implement both measures.

Commissioner Kingsley asked staff to prepare a report for the December meeting outlining a timetable and any initial recommendations for the implementation of the Ordinance.

VI. Discussion and possible action re: Implementation of Proposition J, concerning City contractor contributions

Ms Vida stated that Proposition j was approved by the voter s o November 7, 2000. Commissioner Kingsley indicated that the Commission had just approved January 1, 2001 as the implementation date of the measure. Ms. Vida stated that Staff's Plans for implementation of the Ordinance would include an educational program to advise contractors and City officers about their new obligations. She stated that staff will look into the fiscal implications of the measure, including the impact it will have on the Commission's investigations and enforcement program.

Commissioner Melbostad asked staff to talk with representatives of the Labor Council and other interested parties in drafting regulations for both Propositions O and J. Ms. Vida indicated that she would be pleased to receive the Council's input.

Jim Reid asked whether the Commission plans to ask for additional appropriations this fiscal year to administer the Ordinances. Ms. Vida indicated that she planned to make a budget request for the 2001-2002 annual budget.

MOTION 00-11-13-69 (Grant/Saslafsky). Moved, seconded and unanimously passed: That the staff be directed to prepare a report on implementation of PropositionJ.

VII. Discussion and possible action re: Revised proposal to City of Sacramento regarding terms of an agreement authorizing Sacramento to purchase a license from San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees.

Ms. Vida indicated that the staff is close to an informal agreement on the terms of a contract with the City of Sacramento. She indicated that the City of Sacramento has requested some changes in the staff's original proposal. She referred the Commission to her letter dated November 3, 2000 to Aaron B. Chong of the City of Sacramento. She stated that when the terms of a contract have been agreed upon, she will ask the City Attorney's Office to prepare a contract.

IX. Discussion and possible action re: Proposal that the Chairperson appoint members to serve on a Personnel Committee and a Finance Committee.

Commissioner Kingsley explained that the Personnel Committee will conduct the performance evaluation of the Executive Director and will recommend an evaluation for the Commission's approval. In addition, the Personnel Committee will review the existing Executive Director performance evaluation form to ensure that it complies with Department of Human Resources requirements. The Committee will also discuss with the Executive director a process for evaluating the performance of staff investigators and auditors, and make recommendations to the full Commission. Commissioner Kingsley asked Commissioner Melbostad and Grant to serve on the Personnel Committee. Both agreed to do so.

Commissioner Kingsley explained that the Finance Committee will work with staff to propose the

Commission's annual budget, including a special request for implementation of Propositions O and J. Commissioner Kingsley asked Commissioner Melbostad to chair the Committee, and Commissioner Saslafsky to serve on the Committee. Both agreed to do so. Commissioner Kingsley stated that she would also ask Commissioner Ryan to serve on the Finance Committee.

X. Discussion and possible action re: items for future agendas

No future agenda items were discussed.

XI. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

Jim Reid asked the commission to consider legislation that woul preserve the voluntary spending limits in runoff elections even if the limits were lifted during the general election.

Fred Ridel of San Francisoc Common Cause suggested that the staff be directed to compile a summary of election statistics, including the number of committees and total contributions and expenditures made. Commissioner Melbostad added that it would be good to know how many candidates would have qualified for public financing had Proposition O been I place during this election.

MOTION 00-11-13-70 (Grant/Melbostad). Moved, seconded and unanimously passed: That Mr. Ridel's suggestion that staff prepare a report analyzing money spent during the November 200-0 general and runoff elections be placed on the December 11, 2000 agenda.

XII. Possible closed session held pursuant to charter section C3.699-13, Brown Act section 54956.9© and Sunshine Ordinance section 67.11 to discuss pending litigation.

There was no closed session.

XIII. XIII Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.14 on whether to disclose action taken or discussions held in closed session.

There was no closed session.

XIV. Adjournment.

MOTION 00-11-13-71 (Melbostad/Grant). Moved and seconded: That the meeting be adjourned.

The meeting was adjourned at 6:06 p.m.

The Commission's next meeting will be held on December 11, 2000.

Back to Minutes

© 2000 City & County of San Francisco

Ethics Commission

1390 Market Street, Suite 801
San Francisco, CA 94102
Phone 554-9510 Fax 703-0121

90
90
1
/11/00

SAN FRANCISCO ETHICS COMMISSION AGENDA FOR REGULAR MEETING

Monday, December 11, 5:00 p.m.

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

I. Call to order and roll call

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

III. Discussion and possible approval of the minutes of the meeting of November 13, 2000.

IV. Executive Director's report.

1. Budget
2. Public policy program
3. Advice and opinions
4. Investigation and enforcement program
5. Report on volume of calls received via the Whistleblower Hotline
6. Campaign finance disclosure program
7. Campaign finance audit program
8. Lobbyist program
9. Campaign consultant program
10. Statements of Economic Interests
11. Declarations received re: amended Sunshine Ordinance
12. Draft FY 99-00 Annual Report

DOCUMENTS DEPT
DEC 05 2000
SAN FRANCISCO
PUBLIC LIBRARY

V. Discussion and possible action re: Report from the Personnel Committee.

Motion re: performance evaluation of the Auditor and Investigator: That the Ethics Commission direct the Executive Director (ED) and Deputy Executive Director (DED) to implement the City's process and forms for evaluating the performance of the Auditor and Investigator; that clear performance standards be agreed to by the Auditor, Investigator and the ED and DED; that the evaluators meet on a quarterly basis with the Auditor and Investigator to review performance and provide guidance; and that one year after this proposal is approved by the full Commission, the ED and DED conduct a performance evaluation of the Auditor and Investigator and make a recommendation to the Personnel Committee.

(Please turn over for page 2)

VI. Closed session pursuant to Ralph Brown Act, Section 54957 and Sunshine Ordinance section 67.8, Public Employee Performance Evaluation (Executive Director Ginny Vida).

VII. Discussion and Possible Action re: Disclosure of closed session pursuant to Ralph Brown Act section 54957.1 and Sunshine Ordinance section 67.12.

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: public employee performance evaluation (Executive Director Ginny Vida).

VIII. Discussion and possible action re: Approval of licensing agreement between the Ethics Commission and the Department of Telecommunications and Information Services and the City of Sacramento, by which Sacramento would purchase a license from the City of San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees. A copy of the proposed licensing agreement will be available from the Ethics Commission office on Thursday, December 7.

IX. Discussion and possible action re: Approval of draft Annual Report for Fiscal Year 1999-2000.

X. Discussion and possible action re: Whether the Ethics Commission should prepare an analysis of the November 7 and December 12, 2000 elections regarding number and types of committees, financial activity of committees, and the impact of candidate spending and spending by independent expenditure committees on San Francisco's voluntary spending limits.

XI. Discussion and possible action re: Items for future agendas. A copy of proposed and previously approved Commission initiatives will be available from the Commission office on Thursday, December 7.

XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission

XIII. Possible closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation

Conference with Legal Counsel: Pending Litigation
Number of possible cases: 2

XIV. Discussion and vote pursuant to Brown Act section 54957.1 and Sunshine Ordinance section 67.14 on whether to disclose action taken or discussions held in closed session.

Motion: The Ethics Commission finds that it is in the best interests of the public (not) to disclose its closed session deliberations re: pending litigation.

XV. Adjournment

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the SF Admin. Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Administrator, City Hall, Room 244,

E-mail: Donna_Hall@ci.sf.ca.u.s. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's web site at www.ci.sf.ca.us/bdsupvrs/ordinance.htm

---

90

This location is wheelchair accessible. In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code §16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: www.sfgov.org/ethics.

P:\SHARED\AGENDA\2000\121100.doc

cityspan

F
790
2
2/11/00

City & County of San Francisco

Ethics Commission

(Approved 1/8/01)

MINUTES OF THE

MEETING OF THE SAN FRANCISCO ETHICS COMMISSION

City Hall, One Dr. Carlton B. Goodlett Place, Room 408

DOCUMENTS DEPT
DEC 20 2001
SAN FRANCISCO
PUBLIC LIBRARY

Monday, December 11, 2000 5:00 p.m.

I. Call to order and roll call.

Chairperson Carol Kingsley called the meeting to order at 5:06 p.m.

COMMISSION MEMBERS PRESENT: Carol M. Kingsley, Chairperson; Paul H. Melbostad, Vice-Chairperson; Isabella H. Grant, Commissioner; Philip H. Ryan, Commissioner; Sharyn Saslafsky, Commissioner.

STAFF PRESENT: Ginny Vida, Executive Director; Mabel Ng, Deputy Executive Director; Joe Lynn, Campaign Finance Officer.

OFFICE OF THE CITY ATTORNEY: Julie Moll, Deputy City Attorney.

OTHERS PRESENT: Aaron Chong, City of Sacramento; Fred Ridel, San Francisco Common Cause.

MATERIALS DISTRIBUTED:

S.F. Ethics Commission agenda, December 11, 2000

Draft minutes of the S.F. Ethics Commission Meeting of November 13, 2000

Approved minutes of the S.F. Ethics Commission Meeting of October 16, 2000

Executive Director's Report for the Meeting of December 11, 2000

Draft Ethics Commission Annual Report July 1, 1999 - June 30, 2000

Employee and Management Performance Guide for Performance Evaluation of Auditor and Investigator

Proposed License Agreement between City of Sacramento and City and County of San Francisco

II. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

Aaron Chong, representing the City of Sacramento, thanked the Commission and staff for their willingness to work with the Sacramento staff to devise a plan to make available the electronic filing software to Sacramento. He stated that he found the software to be excellent.

Fred Ridel, San Francisco Common Cause, asked whether there was a schedule for proposal of regulations concerning Propositions J and O. Ginny Vida, Executive Director, advised that the staff will begin developing regulations for Prop O shortly but that no schedule has been established. She also said that regulations are not required for Prop J. In response to an inquiry from Commissioner Phil Ryan, Ms. Vida confirmed that there will be opportunity for public comment on the Prop O regulations when they are considered by the Commission.

III. Discussion and possible approval of the minutes of the meetings of November 13, 2000.

MOTION 00-12-11-71 (Grant/Saslavsky). Moved, seconded and unanimously passed: That the minutes November 13, 2000, meeting be approved as revised.

IV. Executive Director's report.

Ms. Vida referred the Commission to her report in the agenda packet.

V. Discussion and possible action re: Report from the Personnel Committee.

Commissioner Kingsley said that the Personnel Committee had met to conduct a performance evaluation of the Executive Director and to consider procedures to be used for conducting performance evaluations of the Auditor and Investigator.

Personnel Committee Chairperson Paul Melbostad said that the Committee had reviewed the procedures provided by the Department of Human Resources for evaluation of non-managerial employees and has recommended that the Commission approve those procedures for evaluation of the Auditor and Investigator. He also said the Committee had used the Commission's own form for conducting the evaluation of the Executive Director because the form was more appropriate for this purpose.

In response to Commissioner Ryan's question about past practices, Ms. Vida said that reviews of staff performance had been handled orally and informally.

Commissioner Ryan also asked the City Attorney to advise whether adopting the recommended form would affect the Commission's direct supervisory powers over these employees. Julie Moll, Deputy City Attorney, said she would report back on the issue.

Commissioner Ryan emphasized the Charter's specific grant of authority to the Commission to supervise the Auditor and Investigator. He said the Commission could not delegate this responsibility. Commissioner Grant said that any recommendation of the Personnel Committee would need to be approved by the full Commission. Commissioner Kingsley said that the Executive Director (or Deputy) would review the evaluation with the employee and report to the Personnel Committee. Commissioner Ryan stated that members of the Personnel Committee should be able to participate in the evaluations

being conducted of the Auditor and Investigator. Ms. Vida confirmed that such participation would be possible.

MOTION 00-12-11-72 (Grant/Ryan). Moved, seconded and unanimously passed:

That the Ethics Commission direct the Executive Director (ED) and Deputy Executive Director (DED) to implement the City's process and forms for evaluating the performance of the Auditor and Investigator; that clear performance standards be agreed to by the Auditor, Investigator and the ED and DED; that the evaluators meet on a quarterly basis with the Auditor and Investigator to review performance and provide guidance; and that one year after this proposal is approved by the full Commission, the ED and DED conduct a performance evaluation of the Auditor and Investigator and make a recommendation to the Personnel Committee which will make its recommendation to the full Commission.

Commissioner Ryan said he hoped that the procedures recommended by the Department of Human Resources could be adapted for the specific needs of the Commission. Commissioner Melbostad said he hoped the performance goals set for evaluation would take into account the many mandates of the Commission handled by such a small staff.

VI. **Discussion and possible action re: Approval of licensing agreement between the Ethics Commission and the Department of Telecommunications and Information Services and the City of Sacramento, by which Sacramento would purchase a license from the City of San Francisco to adopt San Francisco's On Line Filing Program for electronic reporting of campaign reports for use by Sacramento's campaign committees.**

Commissioner Kingsley reported that the City Attorney had prepared the proposed agreement with help from the staff, the Department of Telecommunications and Information Services, and the Mayor's Budget Office.

Commissioner Sharyn Saslafsky complimented the staff for doing a superb job in this area. Commissioner Ryan joined Commissioner Saslafsky in her comments.

Mr. Chong said he looked forward to working with Commission and DTIS staff. He also noted that the reference to Room 102 on page 6 should be changed to Room 402 and that the signatures on p. 8 should be changed to reflect Sacramento's practice of having the City Manager, City Attorney, and City Clerk sign on behalf of the City of Sacramento.

MOTION 00-12-11-73 (Ryan/Grant). Moved, seconded and unanimously passed: That the Agreement with the City of Sacramento be approved.

VII. Discussion and possible action re: Approval of draft Annual Report for Fiscal Year 1999-2000.

Commissioner Kingsley said that the draft Annual Report reflects a high level of performance by the Commission and a job well done.

MOTION 00-12-11-74 (Melbostad/Saslafsky). Moved, seconded and unanimously passed: That the Annual Report for fiscal Year 1999-2000 be approved.

VIII. Discussion and possible action re: Whether the Ethics Commission should prepare an

analysis of the November 7 and December 12, 2000 elections regarding number and types of committees, financial activity of committees, and the impact of candidate spending and spending by independent expenditure committees on San Francisco's voluntary spending limits.

Commissioner Ryan asked what was contemplated by the term "impact" with reference to candidate spending and independent spending. Ms. Vida noted that two kinds of financial activity could trigger the lifting of the voluntary spending limits. The limits could be lifted when a candidate who declined to accept the limits raises or spends a threshold amount, or when a committee that makes independent expenditures raises or spends a threshold amount. She said she believed the study would enable the Commission to judge better the anticipated impact of changes in campaign finance resulting from the new rules enacted under Prop. O. Ms. Vida said that the analysis could be performed after the January 31 second semiannual campaign reports have been filed.

Mr. Ridel suggested that the analysis include the financial activity of ballot measure committees.

MOTION 00-12-11-75 (Ryan/Saslafsky). Moved, seconded and unanimously passed: That the Ethics Commission prepare an analysis of the November 7 and December 12, 2000 elections regarding number and types of committees, financial activity of committees, and the impact of candidate spending and spending by independent expenditure committees on San Francisco's voluntary spending limits.

IX. **Discussion and possible action re: Items for future agendas.**

Ms. Vida reviewed the list of initiatives proposed by staff, noting the importance of the Prop O regulations. She also noted that the Commission had previously approved a comprehensive review of conflict of interest provisions and a review of incompatible activities for City departments. The list discussed also included items on revising regulations for investigation and enforcement as well as a review of the Whistleblower Ordinance and a regulation defining "city premises" for purposes of political activity. She also noted that the Commission will need to prepare and approve the annual budget.

Ms. Moll advised that the conflicts of interest project could involve require review of other jurisdictions to examine a range of legal alternatives on improving local conflicts of interest laws. This project could require several months of staff time. She suggested that the Commission might wish to undertake this project on a piecemeal basis.

Ms. Vida noted that the anticipated move of the third floor office to the second floor conference room in Fox Plaza, and then of the entire office to 30 Van Ness, would consume considerable staff time.

Commissioner Ryan urged that the Commission revise its regulations to provide expeditious and fair resolution of complaints before undertaking time-consuming legislative functions that may involve assistance from the Mayor, Controller, City Attorney, and District Attorney. Commissioner Ryan said that analysis of departments should be driven by the unique needs of each department or a department's specific expertise in matters falling within its jurisdiction.

Commissioner Saslafsky stated that some consideration should be given to staffing needs for implementation of Commission initiatives. She suggested adding to the list of priorities an educational program and analysis of campaign data from the 2000 elections.

There was a general consensus that priorities for Commission initiatives could be better determined

when more information is available on how these items might affect the staff workload and the Commission budget.

MOTION 00-12-11-76 (Ryan/Melbostad). Moved, seconded and unanimously approved: That the Commission adopt as its priorities the items listed on the proposed policy priorities list, but not necessarily in the order so listed. In addition to the items listed, the Commission will prepare an analysis of the 2000 election, undertake an educational program for Prop J, prepare the budget, and execute its move to 30 Van Ness Ave. Matters concerning the impact of these projects on the Commission budget shall be referred to the Finance Committee of the Ethics Commission for further study.

X. Closed session pursuant to Ralph Brown Act, Section 54957 and Sunshine Ordinance section 67.8, Public Employee Performance Evaluation (Executive Director Ginny Vida).

The Commission adjourned to a closed session.

XI. Discussion and Possible Action re: Disclosure of closed session pursuant to Ralph Brown Act section 54957.1 and Sunshine Ordinance section 67.12.

MOTION 00-12-11-77 (Melbostad/Grant) Moved, seconded and unanimously approved: The Ethics Commission finds that the performance of Executive Director Ginny Vida is excellent.

XII. Public comment on matters appearing or not appearing on the agenda that are within the jurisdiction of the Ethics Commission.

There was no public comment.

XIII. Possible closed session held pursuant to Charter section C3.699-13, Brown Act section 54956.9(c) and Sunshine Ordinance section 67.11 to discuss pending litigation.

There was no closed session on pending litigation.

XV. Adjournment

The meeting was adjourned 6:45 p.m.

Respectfully submitted,

_____

Joe Lynn

Campaign Finance Officer

\\ETHICS-01SVR\DATA\SHARED\MINUTES\2000\12.11.00.doc

Back to Minutes

© 2000 City & County of San Francisco